

Shareholder Rights Plan

On November 21, 2012, Capital Power announced that its Board of Directors approved a Shareholder Rights Plan (Rights Plan) effective November 20, 2012. The objective of the Rights Plan is to ensure, to the extent possible, the fair treatment of all shareholders in connection with any take-over bid for the securities of the Company, and to provide the Board with sufficient time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value. The Rights Plan will be presented to shareholders for ratification at Capital Power's annual meeting on April 26, 2013 and, if ratified, will continue in force until the end of the annual meeting of shareholders in 2016. The Rights Plan will expire at the termination of the April 26, 2013 annual meeting of shareholders if not ratified by the shareholders.

Contractual Obligations and Contingent Liabilities

(unaudited, \$ millions)	Payments Due by Period						Total
	2013	2014	2015	2016	2017	Thereafter	
Acquired PPA obligations – fixed ⁽¹⁾	57	60	59	60	60	129	425
Acquired PPA obligations – variable ⁽¹⁾	36	35	35	37	38	187	368
Capital – growth projects ⁽²⁾	635	742	-	-	-	-	1,377
Energy purchase and transportation contracts ⁽³⁾	105	21	11	11	11	52	211
Operating and maintenance contracts ⁽⁴⁾	10	13	13	12	11	69	128
Environmental credits	13	14	11	9	7	2	56
Operating leases	5	5	5	5	5	59	84
Loans and borrowings	19	13	314	145	149	1,032	1,672
Interest on loans and borrowings	87	86	85	65	58	146	527
Net commodity contracts-for-differences	52	6	3	2	2	-	65
Decommissioning provisions ⁽⁵⁾	2	2	2	3	2	320	331
Total	1,021	997	538	349	343	1,996	5,244

- (1) Capital Power's obligation to make payments on a monthly basis for fixed and variable costs under the terms of its acquired PPAs will vary depending on generation volume and scheduled plant outages. Fixed costs include depreciation, decommissioning, return on equity, and return on debt and working capital.
- (2) Capital Power's obligations for capital – growth projects include the K2, Port Dover & Nanticoke and Shepard Energy Centre projects. Capital Power Energy Centre is not included.
- (3) Natural gas transportation contracts are based on estimates subject to changes in regulated rates for transportation and have expiry terms ranging from 2013 to 2017.
- (4) Operating and maintenance contracts are related to a 10-year service agreement for Quality Wind which commenced November 2012 at a cost of approximately \$5 million per year.
- (5) Capital Power's decommissioning provisions reflect the undiscounted cash flow required to settle obligations for the retirement of its generation plants and Genesee coal mine.