

## NOTE 11. EQUITY ACCOUNTED INVESTMENTS

### (A) Equity Accounted Investments

| As at                                    | Dec 31, 2012 |                | Dec 31, 2011 |                |
|--|--------------|----------------|--------------|----------------|
|  | Ownership %  | Carrying Value | Ownership %  | Carrying Value |
| Macquarie Long Term Care L.P. ("MLTCLP") | 45.0%        | 87             | 45.0%        | 106            |
| Värmevärden                              | 33.3%        | 16,903         | 33.3%        | 15,887         |
| Chapais                                  | 31.3%        | —              | 31.3%        | —              |
|  |              | <u>16,990</u>  |              | <u>15,993</u>  |

See note 8 for detail on loans receivable with Värmevärden and Chapais.

The changes in the Corporation's total equity accounted investments for the years ended were as follows:

| For the year ended  | Opening Balance | Acquisition, Plus Costs, Less Return of Capital | Equity Accounted Income (Loss) | Equity Share of OCI | Distributions Received  | Other    | Ending Balance |
|---------------------|-----------------|---|--------------------------------|---------------------|-------------------------|----------|----------------|
| <b>Dec 31, 2012</b> | <b>15,993</b>   | —   | <b>2,294</b>                   | <b>702</b>          | <b>(2,001)</b>          | <b>2</b> | <b>16,990</b>  |
| Dec 31, 2011        | 54,789          | 21,882  | (5,276)                        | (724)               | (54,666) <sup>(1)</sup> | (12)     | 15,993         |

(1) 2011 were part of a non-cash distribution.

### (B) Summarized Information for Equity Accounted Investments

The Corporation has summarized the information of its equity accounted investments at their gross values as follows:

| As at                      | Dec 31, 2012 |             | Dec 31, 2011 |             |
|----------------------------|--------------|-------------|--------------|-------------|
|                            | Assets       | Liabilities | Assets       | Liabilities |
| MLTCLP                     | 212          | —           | 227          | —           |
| Värmevärden <sup>(1)</sup> | 391,208      | 336,586     | 383,367      | 332,344     |
| Chapais                    | 26,744       | 42,285      | 27,963       | 45,757      |

| For the year ended         | Dec 31, 2012   |              |                   | Dec 31, 2011  |                 |                   |
|----------------------------|----------------|--------------|-------------------|---------------|-----------------|-------------------|
|                            | Revenue        | Income       | Capstone's Income | Revenue       | Income          | Capstone's Income |
| MLTCLP                     | —              | (15)         | (21)              | —             | (46)            | (6)               |
| Värmevärden <sup>(1)</sup> | 97,182         | 6,947        | 2,315             | 65,875        | (15,776)        | (5,270)           |
| Chapais                    | 19,390         | 2,252        | —                 | 18,730        | 2,933           | —                 |
|                            | <u>116,572</u> | <u>9,184</u> | <u>2,294</u>      | <u>84,605</u> | <u>(12,889)</u> | <u>(5,276)</u>    |

(1) Includes purchase accounting adjustments.

## NOTE 12. CAPITAL ASSETS

### (A) Continuity

|                                 | Jan 1, 2012      | Additions      | Disposals      | Foreign Exchange | Transfers      | Dec 31, 2012     |
|---------------------------------|------------------|----------------|----------------|------------------|----------------|------------------|
| <b>Cost</b>                     |                  |                |                |                  |                |                  |
| Land                            | 2,707            | —              | —              | 59               | —              | 2,766            |
| Equipment and vehicles          | 8,389            | 1,001          | (637)          | 534              | 6,363          | 15,650           |
| Property and plant              | 790,178          | 4,517          | (4,729)        | 9,906            | 51,854         | 851,726          |
| Water network                   | 271,485          | 59,571         | —              | 9,542            | 5,932          | 346,530          |
| Construction in progress        | 35,750           | 80,984         | —              | 1,162            | (66,687)       | 51,209           |
|                                 | <u>1,108,509</u> | <u>146,073</u> | <u>(5,366)</u> | <u>21,203</u>    | <u>(2,538)</u> | <u>1,267,881</u> |
| <b>Accumulated depreciation</b> |                  |                |                |                  |                |                  |
| Equipment and vehicles          | (3,568)          | (1,847)        | 608            | (353)            | —              | (5,160)          |
| Property and plant              | (126,465)        | (40,516)       | 2,978          | (4,413)          | —              | (168,416)        |
| Water network                   | (1,020)          | (5,069)        | —              | (1,809)          | —              | (7,898)          |
| <b>Net carrying value</b>       | <u>977,456</u>   | <u>98,641</u>  | <u>(1,780)</u> | <u>14,628</u>    | <u>(2,538)</u> | <u>1,086,407</u> |