

(F) Long-term Debt Repayments

The following table summarizes total principal payments required under each of the Corporation's facilities in the next five years and thereafter:

Year of Repayment	Within one year	One year to five years	Beyond five years	Total
Power	14,977	137,338	145,477	297,792
Utilities – water	—	32,356	376,796	409,152
Corporate	—	42,749	—	42,749
	<u>14,977</u>	<u>212,443</u>	<u>522,273</u>	<u>749,693</u>

NOTE 19. LIABILITY FOR ASSET RETIREMENT

The carrying value of these obligations is based on estimated cash flows required to settle these obligations in present day costs. The costs relate to site restoration and decommissioning of Cardinal, Erie Shores and the hydro power facilities.

The following table provides the underlying assumptions and reconciles the Corporation's total asset retirement obligation activity for the years ended December 31:

	Dec 31, 2012	Dec 31, 2011
Assumptions:		
Expected settlement date	2014 – 2062	2014 – 2042
Estimated settlement amount	Nil – \$2,965	Nil – \$2,965
Inflation rate	2.0%	2.0% – 2.1%
Credit-adjusted risk-free rate	8.0% – 12.5%	8.0% – 9.5%
Balance, beginning of year	2,412	3,167
Revision of estimates	(533)	(962)
Accretion expense	217	207
Balance, end of year	<u>2,096</u>	<u>2,412</u>

NOTE 20. SHAREHOLDERS' EQUITY

The share capital of the Corporation was as follows:

As at	Dec 31, 2012	Dec 31, 2011
Common shares	632,474	626,861
Class B exchangeable units	26,710	26,710
Preferred shares	72,020	72,020
	<u>731,204</u>	<u>725,591</u>

(A) Common Shares

Capstone is authorized to issue an unlimited number of common shares.

Continuity for the year ended (\$'000s and 000s shares)	Dec 31, 2012		Dec 31, 2011	
	Shares	Carrying Value	Shares	Carrying Value
Opening balance	70,957	626,861	56,352	536,278
Common shares issued ^{(1) to (3)}	—	(89)	12,856	77,526
Dividend reinvestment plan ⁽⁴⁾	1,488	5,702	253	1,238
Conversion of convertible debentures, net of cost ⁽⁵⁾	—	—	1,496	11,819
Ending balance	72,445	632,474	70,957	626,861

- (1) On December 22, 2010, the Corporation closed a private placement financing (the "Offering") of 9,079 units at a price of 7.60 dollars per unit for gross proceeds of approximately \$69,000 before issue costs of \$3,751. The net proceeds of the Offering were used by the Corporation for acquisitions and for general purposes. During 2011, \$102 of the private placement transaction costs were included in share capital.
- (2) On April 15, 2011, the Corporation issued 856 common shares subscribed to by MGL as part of the management internalization at 8.18 dollars per share for gross proceeds of approximately \$7,000.
- (3) On November 10, 2011, the Corporation issued 12,000 common shares for gross proceeds of \$75,000 before issues costs of \$4,526. Additional transaction costs of \$89 were included in share capital in 2012 in relation to this common share offering.
- (4) Shares issued by the Corporation under the Dividend Re-Investment Plan (DRIP).
- (5) No convertible debentures were converted to shares of the Corporation during 2012 (note 18(d)(ii)) (December 31, 2011 – \$11,819). Amounts transferred from debt and equity are net of original issuance transaction costs.