

ATLANTIC POWER CORP  
Form 10-Q  
August 12, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2011**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
COMMISSION FILE NUMBER 001-34691**

**ATLANTIC POWER CORPORATION**

(Exact name of registrant as specified in its charter)

**British Columbia, Canada**  
(State or other jurisdiction of  
incorporation or organization)

**55-0886410**  
(I.R.S. Employer  
Identification No.)

**200 Clarendon Street, Floor 25**  
**Boston, MA**  
(Address of principal executive offices)

**02116**  
(Zip code)

**(617) 977-2400**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company

(Do not check if a  
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the registrant's Common Stock as of August 10, 2011 was 68,963,203.

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**ATLANTIC POWER CORPORATION**

**FORM 10-Q**

**THREE AND SIX MONTHS ENDED JUNE 30, 2011**

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**GENERAL**

In this Quarterly Report on Form 10-Q, references to "Cdn\$" and "Canadian dollars" are to the lawful currency of Canada and references to "\$" and "US\$" and "U.S. dollars" are to the lawful currency of the United States. All dollar amounts herein are in U.S. dollars, unless otherwise indicated.

Unless otherwise stated, or the context otherwise requires, references in this Quarterly Report on Form 10-Q to "we," "us," "our" and "Atlantic Power" refer to Atlantic Power Corporation, those entities owned or controlled by Atlantic Power Corporation and predecessors of Atlantic Power Corporation.

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS AND NOTES****ATLANTIC POWER CORPORATION****CONSOLIDATED BALANCE SHEETS**

(In thousands of U.S. dollars)

	June 30, 2011	December 31, 2010
	(unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 46,551	\$ 45,497
Restricted cash	21,034	15,744
Accounts receivable	20,028	19,362
Note receivable - related party (Note 14)	7,326	22,781
Current portion of derivative instruments asset (Notes 8 and 9)	9,297	8,865
Prepayments, supplies, and other	8,451	8,480
Refundable income taxes	1,611	1,593
Total current assets	114,298	122,322
Property, plant, and equipment, net	308,051	271,830
Transmission system rights	184,208	188,134
Equity investments in unconsolidated affiliates (Note 4)	276,962	294,805
Other intangible assets, net	77,425	88,462
Goodwill	12,453	12,453
Derivative instruments asset (Notes 8 and 9)	18,865	17,884
Other assets	16,718	17,122
Total assets	\$ 1,008,980	\$ 1,013,012
<b>Liabilities</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 16,333	\$ 20,530
Current portion of long-term debt (Note 6)	21,962	21,587
Current portion of derivative instruments liability (Notes 8 and 9)	7,410	10,009
Interest payable on convertible debentures (Note 7)	1,948	3,078
Dividends payable	6,490	6,154
Other current liabilities	7	5
Total current liabilities	54,150	61,363
Long-term debt (Note 6)	263,111	244,299
Convertible debentures (Note 7)	209,703	220,616
Derivative instruments liability (Notes 8 and 9)	24,822	21,543
Deferred income taxes	23,594	29,439
Other non-current liabilities	2,121	2,376
Commitments and contingencies (Note 15)		

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Total liabilities	577,501	579,636
<b>Equity</b>		
Common shares, no par value, unlimited authorized shares; 68,639,654 and 67,118,154 issued and outstanding at June 30, 2011 and December 31, 2010 , respectively	644,001	626,108
Accumulated other comprehensive income (Note 9)	24	255
Retained deficit	(215,782)	(196,494)
Total Atlantic Power Corporation shareholders' equity	428,243	429,869
Noncontrolling interest	3,236	3,507
Total equity	431,479	433,376
Total liabilities and equity	\$ 1,008,980	\$ 1,013,012

See accompanying notes to consolidated financial statements.

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## ATLANTIC POWER CORPORATION

## CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands of U.S. dollars, except per share amounts)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
<b>Project revenue:</b>				
Energy sales	\$ 17,865	\$ 16,659	\$ 36,367	\$ 32,572
Energy capacity revenue	27,651	23,195	54,789	46,389
Transmission services	7,491	7,729	15,135	15,373
Other	251	321	632	791
	53,258	47,904	106,923	95,125
<b>Project expenses:</b>				
Fuel	14,316	15,771	31,384	31,928
Operations and maintenance	7,801	6,442	18,873	12,402
Depreciation and amortization	10,924	10,071	21,803	20,142
	33,041	32,284	72,060	64,472
<b>Project other income (expense):</b>				
Change in fair value of derivative instruments (Notes 8 and 9)	(4,574)	992	(1,013)	(11,202)
Equity in earnings of unconsolidated affiliates	1,962	3,026	3,273	8,462
Interest expense, net	(4,543)	(4,308)	(9,190)	(8,719)
Other income (expense), net	(31)	211	(33)	211
	(7,186)	(79)	(6,963)	(11,248)
<b>Project income</b>	<b>13,031</b>	<b>15,541</b>	<b>27,900</b>	<b>19,405</b>
<b>Administrative and other expenses (income):</b>				
Administration	4,671	3,843	8,725	7,943
Interest, net	3,510	2,518	7,478	5,312
Foreign exchange (gain) loss (Note 9)	(535)	4,224	(1,193)	2,432
Other income, net		(26)		(26)
	7,646	10,559	15,010	15,661
<b>Income from operations before income taxes</b>	<b>5,385</b>	<b>4,982</b>	<b>12,890</b>	<b>3,744</b>
Income tax expense (benefit) (Note 10)	(7,684)	3,618	(6,161)	8,491
<b>Net income (loss)</b>	<b>13,069</b>	<b>1,364</b>	<b>19,051</b>	<b>(4,747)</b>
Net loss attributable to noncontrolling interest	(117)	(81)	(271)	(129)
<b>Net income (loss) attributable to Atlantic Power Corporation</b>	<b>\$ 13,186</b>	<b>\$ 1,445</b>	<b>\$ 19,322</b>	<b>\$ (4,618)</b>
<b>Net income (loss) per share attributable to Atlantic Power Corporation shareholders: (Note 12)</b>				
Basic	\$ 0.19	\$ 0.02	\$ 0.28	\$ (0.08)
Diluted	\$ 0.18	\$ 0.02	\$ 0.28	\$ (0.08)

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Weighted average number of common shares  
outstanding: (Note 12)

Basic	68,573	60,481	68,116	60,443
Diluted	82,939	60,890	82,973	60,443

See accompanying notes to consolidated financial statements.



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**ATLANTIC POWER CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands of U.S. dollars)

(Unaudited)

	Six months ended June 30,	
	2011	2010
Cash flows from operating activities:		
Net income (loss)	\$ 19,051	\$ (4,747)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	21,803	20,142
Long-term incentive plan expense	1,639	2,149
Gain on step-up valuation of Rollcast acquisition		(211)
Equity in earnings from unconsolidated affiliates	(3,273)	(8,462)
Distributions from unconsolidated affiliates	11,584	5,718
Unrealized foreign exchange loss	4,499	5,199
Change in fair value of derivative instruments	1,013	11,202
Change in deferred income taxes	(5,691)	7,416
Change in other operating balances		
Accounts receivable	(666)	(953)
Prepayments, refundable income taxes and other assets	1,244	(481)
Accounts payable and accrued liabilities	(4,996)	(1,970)
Other liabilities	(1,492)	976
Net cash provided by operating activities	44,715	35,978
Cash flows used in by investing activities:		
Acquisitions and investments, net of cash acquired		324
Change in restricted cash	(5,290)	280
Proceeds from sale of equity investments	8,500	
Repayments from related party loan	15,455	
Biomass development costs	(587)	(948)
Purchase of property, plant and equipment	(42,898)	(1,520)
Net cash used in investing activities	(24,820)	(1,864)
Cash flows used in by financing activities:		
Proceeds from project-level debt	29,890	
Repayment of project-level debt	(10,341)	(9,141)
Equity investment from noncontrolling interest		200
Proceeds from revolving credit facility borrowings		20,000
Dividends paid	(38,390)	(31,709)
Net cash used in financing activities	(18,841)	(20,650)
Net increase in cash and cash equivalents	1,054	13,464
Cash and cash equivalents at beginning of period	45,497	49,850
Cash and cash equivalents at end of period	\$ 46,551	\$ 63,314
Supplemental cash flow information		
Interest paid	\$ 17,600	\$ 11,437
Income taxes paid (refunded), net	\$ (436)	\$ 1,045

See accompanying notes to consolidated financial statements.

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**ATLANTIC POWER CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Basis of presentation and summary of significant accounting policies**

*Overview*

Atlantic Power Corporation owns and operates a diverse fleet of power generation and infrastructure assets in the United States. Our power generation projects sell electricity to utilities and other large commercial customers under long-term power purchase agreements, which seek to minimize exposure to changes in commodity prices. Our power generation projects in operation have an aggregate gross electric generation capacity of approximately 1,948 megawatts (or "MW") in which our ownership interest is approximately 871 MW. Our current portfolio consists of interests in 12 operational power generation projects across nine states, one biomass project under construction in Georgia, and a 500 kilovolt 84-mile electric transmission line located in California. We also own a majority interest in Rollcast Energy, a biomass power plant developer with several projects under development. Six of our projects are wholly-owned subsidiaries: Lake Cogen, Ltd., Pasco Cogen, Ltd., Auburndale Power Partners, L.P., Cadillac Renewable Energy, LLC, Piedmont Green Power, LLC and Atlantic Path 15, LLC.

The interim consolidated financial statements have been prepared in accordance with the Securities and Exchange Commission ("SEC") regulations for interim financial information and with the instructions to Form 10-Q. The following notes should be read in conjunction with the accounting policies and other disclosures as set forth in the notes to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2010. Interim results are not necessarily indicative of results for the full year.

In our opinion, the accompanying unaudited interim consolidated financial statements contain all material adjustments consisting of normal and recurring accruals necessary to present fairly our consolidated financial position as of June 30, 2011, the results of operations for the three and six-month periods ended June 30, 2011 and 2010, and our cash flows for the six-month periods ended June 30, 2011 and 2010.

*Use of estimates:*

The preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. During the periods presented, we have made a number of estimates and assumptions, including the fair values of acquired assets, the useful lives and recoverability of property, plant and equipment and power purchase agreements ("PPAs"), the recoverability of equity investments, the recoverability of deferred tax assets, tax provisions, the valuation of shares associated with our long-term incentive plan and the fair value of financial instruments and derivatives. In addition, estimates are used to test long-lived assets and goodwill for impairment and to determine the fair value of impaired assets if indications of impairment exist during the period. These estimates and assumptions are based on present conditions and our planned course of action, as well as assumptions about future business and economic conditions. As better information becomes available or actual amounts are determinable, the recorded estimates are revised. Should the underlying assumptions and estimates change, the recorded amounts could change by a material amount.

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**ATLANTIC POWER CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**1. Basis of presentation and summary of significant accounting policies (Continued)**

***Reclassifications:***

Certain prior year amounts have been reclassified to conform to the current year presentation.

***Recently issued accounting standards:***

*Adopted*

In December 2010, the FASB issued changes to the disclosure of pro forma information for business combinations. These changes clarify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. Also, the existing supplemental pro forma disclosures were expanded to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. We adopted these changes beginning January 1, 2011. Upon adoption, we determined these changes did not impact the consolidated financial statements.

In December 2010, the FASB issued changes to the testing of goodwill for impairment. These changes require an entity to perform all steps in the test for a reporting unit whose carrying value is zero or negative if it is more likely than not (more than 50%) that a goodwill impairment exists based on qualitative factors, resulting in the elimination of an entity's ability to assert that such a reporting unit's goodwill is not impaired and additional testing is not necessary despite the existence of qualitative factors that indicate otherwise. We adopted these changes beginning January 1, 2011. Based on the most recent impairment review of our goodwill (2010 fourth quarter), we determined these changes did not impact the consolidated financial statements.

In January 2010, the FASB issued changes to disclosure requirements for fair value measurements. Specifically, the changes require a reporting entity to disclose, in the reconciliation of fair value measurements using significant unobservable inputs (Level 3), separate information about purchases, sales, issuances, and settlements (that is, on a gross basis rather than as one net number) of these Level 3 financial instruments. We adopted these changes beginning January 1, 2011. We determined that these changes did not have an impact on the consolidated financial statements.

In April 2010, the FASB issued changes to the classification of certain employee share-based payment awards. These changes clarify that there is not an indication of a condition that is other than market, performance, or service if an employee share-based payment award's exercise price is denominated in the currency of a market in which a substantial portion of the entity's equity securities trade and differs from the functional currency of the employer entity or payroll currency of the employee. An employee share-based payment award is required to be classified as a liability if the award does not contain a market, performance, or service condition. These changes were adopted beginning on January 1, 2011. We determined that these changes did not have an impact on the consolidated financial statements.

*Issued*

In May 2011, the FASB issued changes to conform existing guidance regarding fair value measurement and disclosure between GAAP and International Financial Reporting Standards. These changes both clarify the FASB's intent about the application of existing fair value measurement and

Table of Contents**ATLANTIC POWER CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****1. Basis of presentation and summary of significant accounting policies (Continued)**

disclosure requirements and amend certain principles or requirements for measuring fair value or for disclosing information about fair value measurements. The clarifying changes relate to the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity, and disclosure of quantitative information about unobservable inputs used for Level 3 fair value measurements. The amendments relate to measuring the fair value of financial instruments that are managed within a portfolio; application of premiums and discounts in a fair value measurement; and additional disclosures concerning the valuation processes used and sensitivity of the fair value measurement to changes in unobservable inputs for those items categorized as Level 3, a reporting entity's use of a nonfinancial asset in a way that differs from the asset's highest and best use, and the categorization by level in the fair value hierarchy for items required to be measured at fair value for disclosure purposes only. These changes become effective on January 1, 2012. We are currently evaluating the potential impact of these changes on the consolidated financial statements.

In June 2011, the FASB issued changes to the presentation of comprehensive income. These changes give an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements; the option to present components of other comprehensive income as part of the statement of changes in stockholders' equity was eliminated. The items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income were not changed. Additionally, no changes were made to the calculation and presentation of earnings per share. These changes become effective on January 1, 2012. We are currently evaluating these changes to determine which option will be chosen for the presentation of comprehensive income. Other than the change in presentation, we have determined these changes will not have an impact on the consolidated financial statements

**2. Comprehensive income (loss)**

The following table summarizes the components of comprehensive income (loss) for the three and six-month periods ended June 30, 2011 and 2010:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Net income (loss)	\$ 13,069	\$ 1,364	\$ 19,051	\$ (4,747)
Unrealized gain (loss) on hedging activity	(107)	652	1,097	992
less income tax (benefit) expense	(43)	261	439	397
Comprehensive income (loss)	\$ 13,005	\$ 1,755	\$ 19,709	\$ (4,152)

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**ATLANTIC POWER CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**3. Acquisitions and divestitures**

(a) Capital Power Income L.P.

On June 20, 2011, Atlantic Power, Capital Power Income L.P. ("CPILP"), CPI Income Services Ltd., the general partner of CPILP, and CPI Investments Inc., a unitholder of CPILP that is owned by EPCOR Utilities Inc. and Capital Power Corporation, entered into the Arrangement Agreement, which provides that Atlantic Power will acquire, directly or indirectly, all of the issued and outstanding CPILP units pursuant to the Plan of Arrangement under the Canada Business Corporations Act. Under the terms of the Plan of Arrangement, CPILP unitholders will be permitted to exchange each of their CPILP units for, at their election, Cdn\$19.40 in cash or 1.3 Atlantic Power common shares. All cash elections will be subject to proration if total cash elections exceed approximately Cdn\$506.5 million and all share elections will be subject to proration if total share elections exceed approximately 31.5 million Atlantic Power common shares.

Pursuant to the Plan of Arrangement, CPILP will sell its Roxboro and Southport facilities located in North Carolina to an affiliate of Capital Power, for approximately Cdn\$121.0 million which equates to approximately Cdn\$2.15 per unit of CPILP. Additionally, in connection with the Plan of Arrangement, the management agreements between certain subsidiaries of Capital Power and CPILP and certain of its subsidiaries will be terminated (or assigned) in consideration of a payment of Cdn\$10.0 million. Atlantic Power or its subsidiaries will assume the management of CPILP and enter into a transitional services agreement with Capital Power for a term of 6 to 9 months following the completion of the Plan of Arrangement, which will facilitate the integration of CPILP into Atlantic Power.

The Arrangement Agreement contains customary representations, warranties and covenants. Among these covenants, CPILP and CPI Income Services Ltd. have each agreed not to solicit alternative transactions, except that CPILP may respond to an alternative transaction proposal that constitutes, or would reasonably expect to lead to, a superior proposal that we would have the right to match. In addition, Atlantic Power or CPILP may be required to pay a Cdn\$35.0 million fee if the Arrangement Agreement is terminated in certain unlikely circumstances.

The completion of the Plan of Arrangement is subject to the receipt of all necessary court and regulatory approvals in Canada and the United States and certain other closing conditions. Atlantic Power and CPILP currently expect to complete the Plan of Arrangement in the fourth quarter of 2011, subject to receipt of required shareholder/unitholder, court and regulatory approvals and the satisfaction or waiver of the financing and other conditions to the Plan of Arrangement described in the Arrangement Agreement.

(b) Topsham

On February 28, 2011, we entered into a purchase and sale agreement with an affiliate of ArcLight Capital Partners, LLC ("ArcLight") for the purchase of our lessor interest in the project. The transaction closed on May 6, 2011 and we received proceeds of \$8.5 million, resulting in no gain or loss on the sale.

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**4. Equity method investments**

The following summarizes the operating results for the three and six months ended June 30, 2011 and 2010, respectively, for our equity earnings interest in our equity method investments:

	Three-months ended June 30,		Six-months ended June 30,	
	2011	2010	2011	2010
<b>Revenue</b>				
Chambers	13,009	13,329	26,278	28,746
Badger Creek	1,334	3,213	4,655	7,103
Gregory	7,633	7,687	14,814	16,553
Orlando	9,375	10,321	19,302	20,760
Selkirk	12,961	12,564	23,861	26,043
Other	3,132	1,930	4,952	3,170
	47,444	49,044	93,862	102,375
<b>Project expenses</b>				
Chambers	9,545	10,026	18,925	20,292
Badger Creek	1,414	2,755	4,398	6,225
Gregory	6,900	6,472	13,530	14,697
Orlando	9,605	9,869	19,068	19,915
Selkirk	12,631	11,921	25,289	24,749
Other	2,366	1,349	3,795	2,443
	42,461	42,392	85,005	88,321
<b>Project other income (expense)</b>				
Chambers	(663)	(844)	(1,090)	(1,751)
Badger Creek	(7)	193	(11)	195
Gregory	(194)	(891)	(231)	(685)
Orlando	(13)	(33)	(44)	(66)
Selkirk	(929)	(1,988)	(2,566)	(3,087)
Other	(1,215)	(63)	(1,642)	(198)
	(3,021)	(3,626)	(5,584)	(5,592)
<b>Project income (loss)</b>				
Chambers	2,801	2,459	6,263	6,703
Badger Creek	(87)	651	246	1,073
Gregory	539	324	1,053	1,171
Orlando	(243)	419	190	779
Selkirk	(599)	(1,345)	(3,994)	(1,793)
Other	(449)	518	(485)	529
	1,962	3,026	3,273	8,462

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**5. Accumulated depreciation and amortization**

The following table presents accumulated depreciation of property, plant and equipment and the accumulated amortization of transmission system rights and other intangible assets as of June 30, 2011 and December 31, 2010:

	June 30, 2011	December 31, 2010
Property, plant and equipment	\$ 98,248	\$ 91,851
Transmission system rights	47,461	43,535
Other intangible assets	68,472	57,000

**6. Long-term debt**

Long-term debt represents project-level long-term debt of our consolidated subsidiaries and the unamortized balance of purchase accounting adjustments that were recorded in connection with the Path 15 acquisition in order to adjust the debt to its fair value on the acquisition date. Project-level debt is non-recourse to Atlantic Power and generally amortizes during the term of the respective revenue generating contracts of the projects.

	June 30, 2011	December 31, 2010
Project debt, interest rates ranging from 5.1% to 9.0% maturing through 2028	\$ 274,131	\$ 254,581
Purchase accounting fair value adjustments	10,942	11,305
Less: current portion of long-term debt	(21,962)	(21,587)
Long-term debt	\$ 263,111	\$ 244,299

Project-level debt is secured by the respective project and its contracts with no other recourse to us. The loans have certain financial covenants that must be met. At June 30, 2011, all of our projects were in compliance with the covenants contained in the project-level debt. However, the holding company for our investment in the Chambers project, Epsilon Power Partners and the Delta-Person project had not achieved the levels of debt service coverage ratios required by the project-level debt arrangements as a condition to make distributions and were therefore restricted from making distributions to us.

As of June 30, 2011 the inception to date balance on the Piedmont construction debt funded by the related bridge loan was \$29.9 million. The Piedmont debt outstanding is funded by the bridge loan. The terms of the Piedmont project-level debt refinancing include an \$82.0 million construction and term loan and a \$51.0 million bridge loan for approximately 95.0% of the stimulus grant expected to be received from the U.S. Treasury 60 days after the start of commercial operations. The \$51.0 million bridge loan will be repaid in 2012 and repayment of the expected \$82.0 million term loan will commence in 2013.



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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**7. Convertible debentures**

The following table contains details related to outstanding convertible debentures:

	6.5% Debentures due 2014	6.25% Debentures due 2017	5.6% Debentures due 2017
Balance at December 31, 2010 (Cdn\$)	55,801	83,124	80,500
Principal amount converted to equity (Cdn\$)	(8,899)	(8,267)	
Balance at June 30, 2011 (Cdn\$)	46,902	74,857	80,500
Balance at June 30, 2011 (US\$)	48,628	77,612	83,463
Common shares issued on conversion during the six-months ended June 30, 2011	717,653	635,919	

Aggregate interest expense related to the convertible debentures was \$3.0 million and \$2.1 million for the three-month periods ended June 30, 2011 and 2010, respectively, and \$6.4 million and \$4.4 million for the six-month periods ended June 30, 2011 and 2010, respectively.

**8. Fair value of financial instruments**

The following represents our financial assets and liabilities that were recognized at fair value as of June 30, 2011 and December 31, 2010. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement.

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 46,551	\$	\$	\$ 46,551
Restricted cash	21,034			21,034
Derivative instruments asset		28,162		28,162
<b>Total</b>	<b>\$ 67,585</b>	<b>\$ 28,162</b>	<b>\$</b>	<b>\$ 95,747</b>
<b>Liabilities:</b>				
Derivative instruments liability	\$	\$ 32,232	\$	\$ 32,232
<b>Total</b>	<b>\$</b>	<b>\$ 32,232</b>	<b>\$</b>	<b>\$ 32,232</b>

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 45,497	\$	\$	\$ 45,497
Restricted cash	15,744			15,744
Derivative instruments asset		26,749		26,749
<b>Total</b>	<b>\$ 61,241</b>	<b>\$ 26,749</b>	<b>\$</b>	<b>\$ 87,990</b>
<b>Liabilities:</b>				
Derivative instruments liability	\$	\$ 31,552	\$	\$ 31,552
<b>Total</b>	<b>\$</b>	<b>\$ 31,552</b>	<b>\$</b>	<b>\$ 31,552</b>



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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**8. Fair value of financial instruments (Continued)**

The fair value of our derivative instruments are based on price quotes from brokers in active markets who regularly facilitate those transactions and we believe such price quotes are executable. We adjust the fair value of financial assets and liabilities to reflect credit risk, which is calculated based on our credit rating or the credit rating of our counterparties. As of June 30, 2011, the credit reserve resulted in a \$0.6 million net increase in fair value, which is attributable to a \$0.4 million pre-tax gain in other comprehensive income and a \$0.4 million gain in change in fair value of derivative instruments, partially offset by a \$0.2 million loss in foreign exchange. As of December 31, 2010, the credit reserve resulted in a \$0.6 million net increase in fair value, which is attributable to a \$0.2 million pre-tax gain in other comprehensive income and a \$0.5 million gain in change in fair value of derivative instruments, partially offset by a \$0.1 million loss in foreign exchange.

**9. Accounting for derivative instruments and hedging activities***Fair value of derivative instruments*

We have elected to disclose derivative instrument assets and liabilities on a trade-by-trade basis and do not offset amounts at the counterparty master agreement level. The following table summarizes the fair value of our derivative assets and liabilities:

	June 30, 2011	
	Derivative Assets	Derivative Liabilities
Derivative instruments designated as cash flow hedges:		
Interest rate swaps current	\$	\$ 1,923
Interest rate swaps long-term		2,914
Total derivative instruments designated as cash flow hedges		4,837
Derivative instruments not designated as cash flow hedges:		
Interest rate swaps current		2,317
Interest rate swaps long-term	2,580	2,910
Foreign currency forward contracts current	9,297	
Foreign currency forward contracts long-term	16,285	
Natural gas swaps current		3,170
Natural gas swaps long-term		18,998
Total derivative instruments not designated as cash flow hedges	28,162	27,395
Total derivative instruments	\$ 28,162	\$ 32,232

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 9. Accounting for derivative instruments and hedging activities (Continued)

	December 31, 2010	
	Derivative Assets	Derivative Liabilities
Derivative instruments designated as cash flow hedges:		
Interest rate swaps current	\$	\$ 2,124
Interest rate swaps long-term		2,626
Total derivative instruments designated as cash flow hedges		4,750
Derivative instruments not designated as cash flow hedges:		
Interest rate swaps current		1,286
Interest rate swaps long-term	3,299	2,000
Foreign currency forward contracts current	8,865	
Foreign currency forward contracts long-term	14,585	
Natural gas swaps current		6,599
Natural gas swaps long-term		16,917
Total derivative instruments not designated as cash flow hedges	26,749	26,802
Total derivative instruments	\$ 26,749	\$ 31,552

*Natural gas swaps*

The Lake project's operating margin is exposed to changes in natural gas spot market prices through the expiration of its PPA on July 31, 2013. The Auburndale project purchases natural gas under a fuel supply agreement which provides approximately 80% of the project's fuel requirements at fixed prices through June 30, 2012. The remaining 20% is purchased at spot market prices and therefore the project is exposed to changes in natural gas prices for that portion of its gas requirements through the termination of the fuel supply agreement and 100% of its natural gas requirements from the expiration of the fuel supply agreement in mid-2012 until the termination of its PPA at the end of 2013.

In October 2010, we entered into natural gas swaps that are effective in 2014 and 2015. The natural gas swaps are related to our 50% share of expected fuel purchases at our Orlando project as its operating margin is exposed to changes in natural gas prices following the expiration of its fuel contract at the end of 2013. In 2014, both the projected natural gas prices and the prices of these natural gas swaps are lower than the current price of natural gas being purchased under the project's gas contract. These financial swaps effectively fix the price of 1.2 million Mmbtu of natural gas at the Orlando project at a weighted average price of \$5.76/Mmbtu and represent approximately 25% of our share of the expected natural gas purchases at the project during 2014 and 2015. These swap agreements were entered into by us and not at the project level. Orlando is accounted for under the equity method of accounting.

Our strategy to mitigate the future exposure to changes in natural gas prices at Lake, Auburndale and Orlando consists of periodically entering into financial swaps that effectively fix the price of natural gas expected to be purchased at these projects. These natural gas swaps are derivative financial instruments and are recorded in the consolidated balance sheet at fair value.

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**9. Accounting for derivative instruments and hedging activities (Continued)***Interest Rate Swaps*

We have executed an interest rate swap at our consolidated Auburndale project to economically fix a portion of its exposure to changes in interest rates related to its variable-rate debt. The interest rate swap agreement was designated as a cash flow hedge of the forecasted interest payments under the project-level Auburndale debt agreement. The interest rate swap agreement effectively converted the floating rate debt to a fixed interest rate of 3.12%. The notional amount of the swap matches the outstanding principal balance over the remaining life of Auburndale's debt. The interest rate swap was executed in November 2009 and expires on November 30, 2013.

The Cadillac project has an interest rate swap agreement that effectively fixes the interest rate at 6.02% from February 16, 2011 to February 15, 2015, 6.14% from February 16, 2015 to February 15, 2019, 6.26% from February 16, 2019 to February 15, 2023, and 6.38% thereafter. The notional amount of the interest rate swap agreement matches the outstanding principal balance over the remaining life of Cadillac's debt. This swap agreement, which qualifies for and is designated as a cash flow hedge, is effective through June 2025.

We executed two interest rate swaps at our consolidated Piedmont project to economically fix its exposure to changes in interest rates related to its variable-rate debt. The interest rate swap agreements are not designated as hedges and changes in their fair market value are recorded in the consolidated statements of operations. The interest rate swap agreement effectively converted the floating rate debt to a fixed interest rate of 1.7% plus an applicable margin ranging from 3.5% to 3.75% from March 31, 2011 to February 29, 2016. From February 2016 until the maturity of the debt in November 2017, the fixed rate of the swap is 4.47% and the applicable margin is 4.0%, resulting in an all-in rate of 8.47%. The swap continues at the fixed rate of 4.47% from the maturity of the debt in November 2017 until November 2030. The notional amounts of the interest rate swap agreements match the estimated outstanding principal balance of Piedmont's cash grant bridge loan and the construction loan facility which will convert to a term loan. The interest rate swaps were executed on October 21, 2010 and November 2, 2010 and expire on February 29, 2016 and November 30, 2030, respectively.

*Impact of derivative instruments on the consolidated income statements*

Unrealized gains (losses) on interest rate swaps designated as cash flow hedges have been recorded, net of tax, in shareholders' equity in other comprehensive income as a loss of \$0.1 million and a gain of \$0.4 million for the three-month periods ended June 30, 2011 and 2010, respectively, and a gain of \$0.7 million and \$0.6 million for the six-month periods ended June 30, 2011 and 2010 respectively. Settlements of these interest rate swaps of \$0.6 million and \$0.4 million were recorded in interest expense, net for the three-month periods ended June 30, 2011 and 2010, respectively, and \$1.2 million and \$0.7 million for the six-month periods ended June 30, 2011 and 2010, respectively.

Unrealized gains and losses on natural gas swaps previously designated as cash flow hedges are recorded in other comprehensive income. In the period in which the unrealized gains and losses are settled, the cash settlement payments are recorded as fuel expense. A \$5.1 million loss was recorded in other comprehensive loss for natural gas swap contracts accounted for as cash flow hedges prior to July 1, 2009 when hedge accounting for these natural gas swaps was discontinued prospectively. Amortization of the remaining loss in other comprehensive income of \$(0.2) million and \$0.4 million was recorded in change in fair value of derivative instruments for the three-month periods ended

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**9. Accounting for derivative instruments and hedging activities (Continued)**

June 30, 2011 and 2010, respectively, and \$(0.3) million and \$0.8 million for the six-month periods ended June 30, 2011 and 2010, respectively.

Unrealized gains and losses on derivative instruments not designated as cash flow hedges are recorded in change in fair value of derivative instruments in the consolidated statements of operations.

The following table summarizes realized (gains) and losses for derivative instruments not designated as cash flow hedges:

	Classification of (gain) loss recognized in income	Three months ended June 30, 2011	June 30, 2010	Six months ended June 30, 2011	June 30, 2010
Natural gas swaps	Fuel	\$ 2,055	\$ 2,621	\$ 4,531	\$ 4,439
Foreign currency forwards	Foreign exchange (gain) loss	(3,155)	(1,599)	(5,692)	(2,767)
Interest rate swaps	Interest, net	955	474	1,931	949

Unrealized gains and losses associated with changes in the fair value of derivative instruments not designated as cash flow hedges and ineffectiveness of derivatives designated as cash flow hedges are reflected in current period earnings. The following table summarizes the pre-tax gains and (losses) resulting from changes in the fair value of derivative financial instruments that are not designated as cash flow hedges:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Change in fair value of derivative instruments:				
Interest rate swaps	\$ (3,337)	\$ (120)	\$ (2,659)	\$ (166)
Natural gas swaps	(1,237)	1,112	1,646	(11,036)
	\$ (4,574)	\$ 992	\$ (1,013)	\$ (11,202)

*Volume of forecasted transactions*

We entered into derivative instruments in order to economically hedge the following notional volumes of forecasted transactions as summarized below, by type, excluding those derivatives that qualified for the normal purchases and normal sales exception as of June 30, 2011:

	Units	June 30, 2011
Interest rate swaps	Interest (US\$)	\$ 55,147
Currency forwards	Dollars (Cdn\$)	\$ 181,900
Natural gas swaps	Natural Gas (Mmbtu)	13,660

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**9. Accounting for derivative instruments and hedging activities (Continued)***Foreign currency forward contracts*

We use foreign currency forward contracts to manage our exposure to changes in foreign exchange rates, as we generate cash flow in U.S. dollars but pay dividends to shareholders and interest on convertible debentures predominantly in Canadian dollars. We have a hedging strategy for the purpose of mitigating the currency risk impact on the long-term sustainability of dividends to shareholders. We have executed this strategy by entering into forward contracts to purchase Canadian dollars at a fixed rate to hedge approximately 86% of our expected dividend and convertible debenture interest payments through 2013. Changes in the fair value of the forward contracts partially offset foreign exchange gain or losses on the U.S. dollar equivalent of our Canadian dollar obligations. The forward contracts consist of (1) monthly purchases through the end of 2013 of Cdn\$6.0 million at an exchange rate of Cdn\$1.134 per U.S. dollar and (2) purchases in both April and October 2011 of Cdn\$1.9 million at an exchange rate of Cdn\$1.1075 per U.S. dollar.

It is our intention to periodically consider extending the length of these forward contracts.

The foreign exchange forward contracts are recorded at fair value based on quoted market prices and our estimation of the counterparty's credit risk. The fair value of our forward foreign currency contracts is \$25.6 million and \$23.4 million at June 30, 2011 and December 31, 2010, respectively. Changes in the fair value of the foreign currency forward contracts are recorded in foreign exchange (gain) loss in the consolidated statements of operations.

The following table contains the components of recorded foreign exchange (gain) loss for the three and six-month periods ended June 30, 2011 and 2010:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Unrealized foreign exchange (gain) loss:				
Convertible debentures	\$ 1,317	\$ (6,486)	\$ 6,632	\$ (2,505)
Forward contracts and other	1,303	12,309	(2,133)	7,704
	2,620	5,823	4,499	5,199
Realized foreign exchange gains on forward contract settlements	(3,155)	(1,599)	(5,692)	(2,767)
	\$ (535)	\$ 4,224	\$ (1,193)	\$ 2,432

The following table illustrates the impact on our financial instruments of a 10% hypothetical change in the value of the U.S. dollar compared to the Canadian dollar as of June 30, 2011:

Convertible debentures, at carrying value	\$ 20,970
Foreign currency forward contracts	\$ (20,548)

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**9. Accounting for derivative instruments and hedging activities (Continued)**

The following table summarizes the changes in the accumulated other comprehensive income (loss) ("OCI") balance attributable to derivative financial instruments designated as a hedge, net of tax:

<b>For the three month period ended June 30, 2011</b>	<b>Interest Rate Swaps</b>	<b>Natural Gas Swaps</b>	<b>Total</b>
Accumulated OCI balance at March 31, 2011	\$ (66)	\$ 593	\$ 527
Change in fair value of cash flow hedges	(64)		(64)
Realized from OCI during the period	(349)	(90)	(439)
Accumulated OCI balance at June 30, 2011	\$ (479)	\$ 503	\$ 24

<b>For the three month period ended June 30, 2010</b>	<b>Interest Rate Swaps</b>	<b>Natural Gas Swaps</b>	<b>Total</b>
Accumulated OCI balance at March 31, 2010	\$ (554)	\$ (73)	\$ (627)
Change in fair value of cash flow hedges	391		391
Realized from OCI during the period	(211)	253	42
Accumulated OCI balance at June 30, 2010	\$ (374)	\$ 180	\$ (194)

<b>For the six month period ended June 30, 2011</b>	<b>Interest Rate Swaps</b>	<b>Natural Gas Swaps</b>	<b>Total</b>
Accumulated OCI balance at December 31, 2010	\$ (427)	\$ 682	\$ 255
Change in fair value of cash flow hedges	658		658
Realized from OCI during the period	(710)	(179)	(889)
Accumulated OCI balance at June 30, 2011	\$ (479)	\$ 503	\$ 24

<b>For the six month period ended June 30, 2010</b>	<b>Interest Rate Swaps</b>	<b>Natural Gas Swaps</b>	<b>Total</b>
Accumulated OCI balance at December 31, 2009	\$ (538)	\$ (321)	\$ (859)
Change in fair value of cash flow hedges	595		595
Realized from OCI during the period	(431)	501	70
Accumulated OCI balance at June 30, 2010	\$ (374)	\$ 180	\$ (194)



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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**10. Income taxes**

The difference between the actual tax benefit of \$7.7 million and \$6.2 million for the three and six months ended June 30, 2011, respectively, and the expected income tax expense, based on the Canadian enacted statutory rate of 26.5%, of \$1.4 million and \$3.4 million, respectively is primarily due to the change in basis of the Idaho Wind assets due to the receipt of the proceeds of the stimulus grant as well as a decrease in the valuation allowance and various other permanent differences.

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
Current income tax expense (benefit)	\$ 18	\$ 1,038	\$ (470)	\$ 1,075
Deferred tax expense (benefit)	(7,702)	2,580	(5,691)	7,416
Total income tax expense (benefit)	\$ (7,684)	\$ 3,618	\$ (6,161)	\$ 8,491

*Valuation Allowance*

As of June 30, 2011, we have recorded a valuation allowance of \$78.4 million. This amount is comprised primarily of provisions against available Canadian and U.S net operating loss carryforwards. In assessing the recoverability of our deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon projected future taxable income in the United States and in Canada and available tax planning strategies.

**11. Long-Term Incentive Plan**

The following table summarizes the changes in outstanding LTIP notional units during the six months ended June 30, 2011:

	Units	Grant Date Weighted-Average Price per Unit	
Outstanding at December 31, 2010	600,981	\$	10.28
Granted	153,094	\$	14.18
Forfeited	(101,559)	\$	11.61
Additional shares from dividends	20,302	\$	10.95
Vested and redeemed	(263,523)	\$	9.40
Outstanding at June 30, 2011	409,295	\$	11.85

Certain awards have a market condition based on our total shareholder return during the performance period compared to a group of peer companies. Compensation expense for notional units granted in 2011 is recorded net of estimated forfeitures. See further details as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010.

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**11. Long-Term Incentive Plan (Continued)**

The calculation of simulated total shareholder return under the Monte Carlo model for the remaining time in the performance period for awards with market conditions included the following assumptions as of June 30, 2011:

Weighted average risk free rate of return	0.39%	0.72%
Dividend yield		7.5%
Expected volatility Company	20.5%	25.9%
Expected volatility peer companies	15.2%	92.7%
Weighted average remaining measurement period		1.26 years

**12. Basic and diluted earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average common shares outstanding during their respective period. Diluted earnings (loss) per share is computed including dilutive potential shares as if they were outstanding shares during the year. Dilutive potential shares include shares that would be issued if all of the convertible debentures were converted into shares at January 1, 2011. Dilutive potential shares also include the weighted average number of shares, as of the date such notional units were granted, that would be issued if the unvested notional units outstanding under the LTIP were vested and redeemed for shares under the terms of the LTIP.

Because we reported a loss for the six months ended June 30, 2010, diluted earnings per share are equal to basic earnings per share as the inclusion of potentially dilutive shares in the computation is

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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**12. Basic and diluted earnings (loss) per share (Continued)**

anti-dilutive. The following table sets forth the diluted net income (loss) and potentially dilutive shares utilized in the per share calculation for the three and six month periods ended June 30, 2011 and 2010:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
<b>Numerator:</b>				
Net income (loss) attributable to Atlantic Power Corporation	\$ 13,186	\$ 1,445	\$ 19,322	\$ (4,618)
Add: interest expense for potentially dilutive convertible debentures, net <sup>(1)</sup>	1,931		3,985	
Diluted net income (loss) attributable to Atlantic Power Corporation	15,117	1,445	23,307	(4,618)

(1) The above adjustment for net interest on the potential common shares that would be issued on the conversion of the convertible debentures has been excluded as the impact would be anti-dilutive for the three and six months ended June 30, 2010.

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
<b>Denominator:</b>				
Weighted average basic shares outstanding	68,573	60,481	68,116	60,443
Dilutive potential shares:				
Convertible debentures	14,055	11,473	14,430	11,473
LTIP notional units	311	409	427	402
Potentially dilutive shares	82,939	72,363	82,973	72,318
Diluted EPS	\$ 0.18	\$ 0.02	\$ 0.28	\$ (0.08)

Potentially dilutive shares from convertible debentures for the three and six-month periods ended June 30, 2010 have been excluded from fully diluted because their impact would be anti-dilutive.

**13. Segment and related information**

We have six reportable segments: Path 15, Auburndale, Lake, Pasco, Chambers and Other Project Assets.

We analyze the performance of our operating segments based on Project Adjusted EBITDA which is defined as project income plus interest, taxes, depreciation and amortization (including non-cash impairment charges) and changes in fair value of derivative instruments. Project Adjusted EBITDA is not a measure recognized under GAAP and does not have a standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. We use Project Adjusted EBITDA to provide comparative information about project performance without considering how projects are capitalized or whether they contain derivative contracts that are



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## ATLANTIC POWER CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 13. Segment and related information (Continued)

required to be recorded at fair value. A reconciliation of project income to Project Adjusted EBITDA is included in the table below.

	Path 15	Auburndale	Lake	Pasco	Chambers	Other Project Assets	Un-allocated Corporate	Consolidated
<b>Three month period ended</b>								
<b>June 30, 2011:</b>								
Operating revenues	\$ 7,491	\$ 20,434	\$ 16,844	\$ 3,382	\$ 0	\$ 5,107	\$ 0	\$ 53,258
Segment assets	207,838	98,152	105,782	37,564	147,572	329,052	83,020	1,008,980
Project Adjusted EBITDA	\$ 7,186	\$ 11,606	\$ 8,424	\$ 1,469	\$ 4,307	\$ 9,862	\$ 0	\$ 42,854
Change in fair value of derivative instruments		1,145	(297)		200	3,778		4,826
Depreciation and amortization	2,005	4,959	2,290	757	844	6,806		17,661
Interest, net	2,943	282	(2)		1,413	2,452		7,088
Other project (income) expense					201	47		248
Project income	2,238	5,220	6,433	712	1,649	(3,221)		13,031
Interest, net							3,510	3,510
Administration							4,671	4,671
Foreign exchange gain							(535)	(535)
Income (loss) from operations before income taxes	2,238	5,220	6,433	712	1,649	(3,221)	(7,646)	5,385
Income tax expense (benefit)							(7,684)	(7,684)
Net income (loss)	2,238	5,220	6,433	712	1,649	(3,221)	38	13,069

	Path 15	Auburndale	Lake	Pasco	Chambers	Other Project Assets	Un-allocated Corporate	Consolidated
<b>Three month period ended</b>								
<b>June 30, 2010:</b>								
Operating revenues	\$ 7,729	\$ 19,570	\$ 17,842	\$ 2,763	\$ 0	\$ 0	\$ 0	\$ 47,904
Segment assets	213,904	121,303	115,822	40,620	136,351	131,560	102,964	862,524
Project Adjusted EBITDA	\$ 7,062	\$ 10,431	\$ 7,299	\$ 1,002	\$ 4,141	\$ 8,591	\$ 0	\$ 38,526
Change in fair value of derivative instruments		597	(1,709)		(207)	1,529		210
Depreciation and amortization	2,095	4,950	2,267	746	839	5,699		16,596
Interest, net	3,096	415	(4)		1,651	939		6,097
Other project (income) expense					204	(122)		82
Project income	1,871	4,469	6,745	256	1,654	546		15,541
Interest, net							2,518	2,518
Administration							3,843	3,843
Foreign exchange loss							4,224	4,224
Other expense, net							(26)	(26)
Income (loss) from operations before income taxes	1,871	4,469	6,745	256	1,654	546	(10,559)	4,982
Income tax expense (benefit)	990						2,628	3,618