

This pricing supplement, together with the short form base shelf prospectus to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered, sold or delivered, directly or indirectly, within the United States of America, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from the registration requirements of those laws.

**PRICING SUPPLEMENT NO. 1 DATED NOVEMBER 9, 2010
(To a short form base shelf prospectus dated April 14, 2010)**

CAPITAL POWER L.P.

**MEDIUM TERM NOTES
(unsecured)**

Terms of Issue

Designation:	5.276% Medium Term Notes due November 16, 2020 (Series 1) (the " Notes ")
CUSIP/ISIN Number:	14043ZAA0 / CA14043ZAA09
Principal Amount:	\$300,000,000
Commission Rate:	0.40%
Issue Price:	\$100 per \$100 principal amount
Net Proceeds (after commission):	\$298,800,000
Currency:	Canadian Dollars
Trade Date:	November 9, 2010
Settlement Date:	November 16, 2010
Maturity Date:	November 16, 2020
Place of Delivery:	Calgary, Alberta
Interest Rate:	5.276% per annum payable semi-annually in arrears
Interest Payment Dates:	May 16 and November 16 in each year, commencing May 16, 2011
Initial Interest Payment Date:	May 16, 2011
Initial Interest Payment:	\$2.638 per \$100 of principal amount
Day Count Convention:	For periods less than a full semi-annual period, Actual/365
Redemption Provisions:	Capital Power L.P. (the " Partnership ") may redeem the Notes on the terms and conditions and in the manner described below under "Description of the Notes – Redemption".

Change of Control Provisions:	If a Change of Control Triggering Event occurs, unless the Partnership has exercised its right to redeem the Notes as described under "Description of the Notes – Redemption" below, the Partnership will be required to make an offer to purchase all or a portion of such holder's Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. See "Description of the Notes – Change of Control Triggering Event".
Form of Notes:	Global Note registered in the name of CDS & Co.
Trustee:	Computershare Trust Company of Canada (the "Trustee")
Dealers:	TD Securities Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., HSBC Securities (Canada) Inc., National Bank Financial Inc., Merrill Lynch Canada Inc. and Desjardins Securities Inc.
Method of Distribution:	Agency

DESCRIPTION OF THE NOTES

The following description of the terms of the Notes supplements, and to the extent inconsistent therewith supersedes, the description set forth under the heading "Description of Notes" in the short form base shelf prospectus (the "**Prospectus**") of the Partnership dated April 14, 2010 and should be read in conjunction with such description.

The Notes will be issued under a trust indenture (the "**Indenture**") dated as of April 14, 2010 between the Partnership and the Trustee, as supplemented by the first supplemental trust indenture to be dated as of November 16, 2010 between the Partnership and the Trustee.

Definitions

Capitalized terms used in this Pricing Supplement No. 1 and not defined herein have the meaning given to such terms in the Prospectus. The following terms shall have the respective meanings set forth below:

"**Affiliate**" means any person which, directly or indirectly, controls, is controlled by or is under common control with another person; and for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the power to direct or cause the direction of the management and policies of any person, whether through the ownership of Voting Shares or by contract or otherwise.

"**Below Investment Grade Rating Event**" means that on any day within the 60 day period (which shall be extended during an Extension Period (as defined below)) after the earlier of (1) the occurrence of a Change of Control, or (2) public notice of the occurrence of a Change of Control or the intention by the Partnership or Capital Power Corporation to effect a Change of Control, the Notes are rated below an Investment Grade Rating by each of the Rating Agencies if there are less than three Rating Agencies or by at least two out of three of the Rating Agencies if there are three Rating Agencies. Notwithstanding the foregoing, a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Triggering Event hereunder) if the Rating Agencies making the reduction in rating do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result

of, in whole or in part, any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the ratings downgrade). For the purpose of this definition, an "**Extension Period**" shall occur and continue for so long as the aggregate of (i) the number of Rating Agencies that have placed the Notes on publicly announced consideration for possible downgrade during the initial 60-day period and (ii) the number of Rating Agencies that have downgraded the Notes to below an Investment Grade Rating during either the initial 60-day period or the Extension Period is sufficient to result in a Change of Control Triggering Event (assuming for this purpose that a Change of Control has occurred) should one or more of the Rating Agencies that have placed the Notes on publicly announced consideration for possible downgrade subsequently downgrade the Notes to below an Investment Grade Rating. The Extension Period shall terminate when two of the Rating Agencies (if there are three Rating Agencies) or one of the Rating Agencies (if there are less than three Rating Agencies) have confirmed that the Notes are not subject to consideration for a possible downgrade, and have not downgraded the Notes, to below an Investment Grade Rating.

"**Canada Yield Price**" shall mean a price equal to the price of the Notes calculated to provide a yield to maturity, calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the Business Day preceding the date of the issuance by the Partnership of a notice of redemption pursuant to Section 5.3 of the Indenture, plus 0.56%.

"**Change of Control**" means the occurrence of any one of the following (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger, amalgamation, arrangement or consolidation), in one or more series of related transactions, of all or substantially all of the property and assets of Capital Power Corporation or the Partnership and their respective subsidiaries, taken as a whole, to any person or group of persons acting jointly or in concert for purposes of such transaction, other than, in the case of such a sale, transfer, conveyance or other disposition by the Partnership or its subsidiaries, to the Partnership or its subsidiaries, and in the case of such a sale, transfer, conveyance or other disposition by Capital Power Corporation or its subsidiaries, to Capital Power Corporation or its subsidiaries; (b) a change in the general partner of the Partnership (unless such new general partner is an Affiliate of Capital Power Corporation (including its successors) or EPCOR Utilities Inc. (including its successors)); or (c) the consummation of any transaction (including, without limitation, any merger, amalgamation, arrangement or consolidation) the result of which is that any person, or group of persons acting jointly or in concert for purposes of such transaction, becomes the beneficial owner, directly or indirectly, of securities of Capital Power Corporation or the general partner of the Partnership to which are attached 50% or more of the votes that may be cast to elect directors thereof (but excluding for greater certainty any such transaction that results in Capital Power Corporation (including its successors), EPCOR Utilities Inc. (including its successors) or their respective Affiliates becoming such beneficial owner).

"**Change of Control Triggering Event**" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"**DBRS**" means DBRS Limited and its successors.

"**Government of Canada Yield**" on any date shall mean the yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to maturity of the Notes. The Government of Canada Yield will be the average of the yields determined by two nationally recognized Canadian investment dealers selected by the Partnership.

"**Investment Grade Rating**" means (i) in respect of DBRS, a rating equal to or higher than BBB(low) (or the equivalent of any successor rating category of DBRS); (ii) in respect of S&P, a rating equal to or higher than BBB- (or the equivalent of any successor rating category of S&P); and (iii) in respect of any Rating Agency other than DBRS or S&P, if applicable, a rating by such Rating Agency in one of its generic rating categories that signifies investment grade.

"**Rating Agencies**" means each of DBRS and S&P and, if a rating of the Notes is obtained from an additional "approved rating organization" (as defined in National Instrument 44-101 —Short Form Prospectus Distributions of

the Canadian Securities Administrators) other than DBRS or S&P, shall also include the first such additional approved rating organization (the "**Additional Rating Agency**"), if any, that assigns a rating to the Notes, as long as, in each case, such entity has not ceased to assign a rating to the Notes or failed to make a rating assigned to the Notes publicly available for reasons outside of the Partnership's control; provided that if either DBRS or S&P or the Additional Rating Agency ceases to assign a rating to the Notes or fails to make a rating assigned to the Notes publicly available for reasons outside of the Partnership's control, the Partnership may select any other "approved rating organization" (as defined in National Instrument 44-101 —Short Form Prospectus Distributions of the Canadian Securities Administrators) as a replacement rating organization for one or more of DBRS, S&P or the Additional Rating Agency, as the case may be, and provided further that the Partnership shall maintain a rating of the Notes with at least one Rating Agency at all times.

"**Redemption Price**" means with respect to a Note to be redeemed, the greater of (i) the Canada Yield Price, and (ii) par, together in each such case with accrued and unpaid interest to, but excluding, the date fixed for redemption.

"**S&P**" means Standard & Poor's, a division of McGraw-Hill, Inc., and its successors.

Redemption

The Partnership may redeem the Notes, in whole at any time, or in part from time to time, on not more than 60 and not less than 30 days' prior notice to the holders of the Notes to be redeemed, and upon deposit with the Trustee, on or before the Business Day prior to the date fixed for redemption, of the Redemption Price.

Change of Control Triggering Event

If a Change of Control Triggering Event occurs, unless the Partnership has exercised its right to redeem the Notes as described under "Redemption" above, the Partnership will be required to make an offer to each holder of Notes to purchase all, or any part of (equal to \$1,000 or an integral multiple thereof) such holder's Notes (the "**Change of Control Offer**") at a purchase price payable in cash equal to 101% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the date of purchase.

Within 30 days following the date upon which a Change of Control Triggering Event shall have occurred, the Partnership will be required to provide written notice to each holder of Notes, with a copy to the Trustee, which notice will state the terms of the Change of Control Offer as described above. Such notice will also state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is sent, other than as may be required by law (the "**Change of Control Payment Date**"). Holders of Notes electing to have Notes purchased pursuant to a Change of Control Offer will be required to surrender their Notes to the Trustee at the address specified in the notice, or transfer their Notes to the Trustee by book-entry transfer pursuant to the applicable procedures of the Trustee, prior to the close of business on the third business day prior to the Change of Control Payment Date.

The Partnership will not be required to make a Change of Control Offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Partnership and such third party purchases all Notes properly tendered and not withdrawn under its offer.

The Partnership must comply with any securities laws and regulations that are applicable in connection with the purchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions herein, the Partnership shall be required to comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions herein by virtue of such conflicts.

Subject to the limitations discussed below, the Partnership could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control, but that could increase the amount of indebtedness outstanding at such time or otherwise affect its ownership structure or the credit ratings on the Notes. Restrictions on the Partnership's ability to incur liens and additional indebtedness are contained in the covenants as described in the Prospectus under "Description of the Notes — Negative Covenants".

The Partnership may not have sufficient funds to repurchase all of the Notes upon the occurrence of a Change of Control Triggering Event. If the Partnership is unable to repurchase the Notes upon the occurrence of a Change of Control Triggering Event, the cross-default provisions in the Partnership's other debt instruments may be triggered resulting in events of default thereunder.

DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus into which this pricing supplement is deemed to be incorporated by reference, also incorporates by reference therein:

- (a) the Annual Information Form of Capital Power Corporation dated March 15, 2010;
- (b) the management proxy circular of Capital Power Corporation dated April 2, 2010;
- (c) the audited consolidated financial statements of Capital Power Corporation as at and for the period ended December 31, 2009, together with the auditors' report thereon;
- (d) the management's discussion and analysis of Capital Power Corporation for the period ended December 31, 2009;
- (e) the unaudited consolidated financial statements of Capital Power Corporation as at and for the nine months ended September 30, 2010;
- (f) the management's discussion and analysis of Capital Power Corporation for the nine months ended September 30, 2010;
- (g) the audited consolidated financial statements of the Partnership as at and for the period ended December 31, 2009, together with the auditor's report thereon;
- (h) the unaudited consolidated financial statements of the Partnership as at and for the nine months ended September 30, 2010; and
- (i) the business acquisition report of Capital Power Corporation dated September 16, 2009 relating to the acquisition by the Partnership of substantially all of the assets of the power generation business of EPCOR Utilities Inc. conducted by certain subsidiaries and interests of EPCOR Utilities Inc.

EARNINGS COVERAGE RATIOS

The Partnership provides updates to its earnings coverage ratios provided in the Prospectus in conjunction with the filing of its financial statements with the securities regulatory authorities in Canada. The updated earnings coverage ratios are available under the Partnership's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

LEGAL MATTERS

Certain legal matters relating to the offering of Notes will be passed upon on behalf of the Partnership by Fraser Milner Casgrain LLP and on behalf of the Dealers by Osler, Hoskin & Harcourt LLP. At the date hereof, the partners and associates of Fraser Milner Casgrain LLP as a group and the partners and associates of Osler, Hoskin & Harcourt LLP as a group, beneficially own, directly or indirectly, in the aggregate less than one percent of the outstanding securities of the Partnership and associates and affiliates of the Partnership.