CANADIAN UTILITIES LIMITED
An ATCO Company

News Release

CANADIAN UTILITIES LIMITED
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For Immediate Release

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CANADIAN UTILITIES REPORTS FIRST QUARTER 2011 EARNINGS

CALGARY, Alberta – **Canadian Utilities Limited (TSX: CU, CU.X)**

Canadian Utilities today reported earnings attributable to Class A and Class B shares of $176 million ($1.34 per share) and Adjusted Earnings of $166 million ($1.30 per share) for the first three months of 2011. This compares to earnings of $150 million ($1.14 per share) and Adjusted Earnings of $154 million ($1.22 per share) for the same period in 2010, an increase of $12 million in Adjusted Earnings. For the first time, earnings reflect Canadian Utilities' implementation of International Financial Reporting Standards (IFRS). Comparative figures for 2010 have been presented on the same basis.

In 2011, Adjusted Earnings increased in the Energy Segment due to higher power pool prices and related spark spreads for ATCO Power's Alberta generating plants and in the Utilities Segment due to higher infrastructure investment in the regulated rate base. These increases were partially offset in the Energy Segment by lower prices for natural gas storage.

Adjusted Earnings is a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of Canadian Utilities' earnings with other Canadian rate regulated companies. The importance of Adjusted Earnings is further explained after the Financial Summary and Reconciliation of Adjusted Earnings section.

RECENT DEVELOPMENTS

- Canadian Utilities established a new company – ATCO Australia Pty Ltd., a strategic initiative to capture the substantial resource sector growth in Australia. Based in Perth, ATCO Australia will provide a full range of energy and infrastructure services and is led by Managing Director & Chief Operating Officer, Steven J. Landry. Mr. Landry joined ATCO following a 27-year career in the global automotive industry. He has served as a Director for ATCO Structures & Logistics and brings extensive experience in leading management teams.
- Canadian Utilities Limited declared a first quarter dividend for 2011 of 40.25 cents per Class A non-voting and Class B common share, a 6.6% increase over the 37.75 cents paid in each of the previous four quarters. Dividends per share have increased for the 39th consecutive year.
- ATCO Electric received a decision from the Alberta Utilities Commission in regard to its 2011 and 2012 rate application. Amongst other things, the decision approved the inclusion of construction work in progress for major transmission projects in rate base and the recovery from customers of Federal deferred income taxes related to transmission operations, both of which will result in higher cash flows at a time when Canadian Utilities is undertaking significant capital expenditures.

- ATCO Gas has begun automating its meter reading system. Approximately one million meters will be converted over a four year period.
- On January 1, 2011, ATCO Ltd. and Canadian Utilities Limited completed the transfer of ATCO Ltd.'s wholly-owned subsidiary, ATCO Resources Ltd., from ATCO Ltd. to ATCO Power Ltd., a wholly-owned subsidiary of Canadian Utilities Limited for Class A non-voting and Class B common shares of Canadian Utilities Limited.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of Adjusted Earnings to earnings attributable to Class A and Class B shares is provided below:

	For the Three Months Ended March 31	
($ Millions except per share data)	**2011**	2010
	(Unaudited)	
Adjusted Earnings [1]	**166**	154
Adjustments for Rate Regulated Activities	**4**	(9)
Dividends on Equity Preferred Shares	**6**	5
Earnings Attributable to Class A and Class B Shares	**176**	150
Adjusted Earnings Per Share [1]	**1.30**	1.22
Earnings Per Share	**1.34**	1.14
Revenues	**809**	759
Funds Generated By Operations [1] [2]	**402**	310

(1) These measures are not defined by Generally Accepted Accounting Principles and may not be comparable to similar measures used by other companies.
(2) This measure is cash flow from operations before changes in non-cash working capital.

The increase in **Revenues** is primarily due to higher flow through natural gas sales in ATCO Midstream and higher Alberta power pool prices in ATCO Power, partially offset by expiry of the Barking generating plant's revenue contract in the third quarter of 2010. In addition, the first quarter of 2010 included one-time revenues of $65 million related to the lease of the first unit of the Karratha plant in Australia.

The increase in **Funds Generated by Operations** is primarily due to higher cash earnings and increased availability incentive receipts in ATCO Power.

IMPORTANCE OF ADJUSTED EARNINGS

Adjusted Earnings are defined as earnings attributable to Class A and Class B shares after adjusting for the timing of revenues and expenses associated with rate regulated activities and equity preferred share dividends. Adjusted Earnings will present earnings on the same basis as was used prior to adopting IFRS – that basis being the U.S. accounting principles for rate regulated entities commonly used by regulated companies in Canada. Adjusted Earnings also exclude one-time gains and losses and items that are not in the normal course of business or day-to-day operations.

Adjusted Earnings is a key measure for several reasons:

- It is used by the ATCO Group in assessing segment performance and allocating resources.
- It is the ATCO Group's view that this measure is a better reflection of the economics of rate regulation that are directly affected by orders and decisions of utility regulators.
- It will facilitate comparison with those Canadian regulated companies that choose to wait another year before adopting IFRS and with those companies that may choose to adopt U.S. accounting principles instead of IFRS.

For rate regulated activities, the differences between Adjusted Earnings and earnings as reported under IFRS are strictly timing in nature: Adjusted Earnings for the Utilities Segment are recognized on the basis of accounting principles that recognize the economics of rate regulation and take into account the orders and decisions of the regulator, whereas earnings under IFRS are recognized when billed to customers. Over time, there is no difference.

Refer to note 4 to the consolidated financial statements for descriptions of the adjustments for rate regulated activities and the timing of their recovery from or refund to customers.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three months ended March 31, 2011, will be available on Canadian Utilities' website (www.canadian-utilities.com) or via SEDAR (www.sedar.com) or can be requested from the Company.

Alberta-based Canadian Utilities Limited, an ATCO company, with more than 5,700 employees and assets of approximately $10 billion, delivers service excellence and innovative business solutions worldwide with leading companies engaged in Utilities (pipelines, natural gas and electricity transmission and distribution), Energy (power generation, natural gas gathering, processing, storage and liquids extraction) and Technologies (business systems solutions). More information can be found at www.canadian-utilities.com.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Corporation believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Any forward-looking information contained in this news release represents the Corporation's expectations as of the date hereof, and is subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.