

April 26, 2018

## **CANADIAN UTILITIES REPORTS FIRST QUARTER 2018 EARNINGS**

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

Canadian Utilities today announced first quarter adjusted earnings for 2018 of \$181 million, or \$0.67 per share, compared to \$213 million, or \$0.79 per share, in the first quarter of 2017. Lower earnings in the Company's utility businesses were mainly due to rate rebasing under Alberta's regulated model, partially offset by higher earnings from Alberta PowerLine.

Canadian Utilities invested \$744 million in capital growth projects in the first quarter of 2018, of which 99 per cent was invested in assets that earn a return under a regulated business model or are under commercially secured long-term contracts.

In the 2018 to 2020 period, Canadian Utilities expects to invest an additional \$4.5 billion in regulated utility and commercially secured capital growth projects. This capital investment is expected to contribute significant earnings and cash flow, and create long-term value for share owners.

On April 4, 2018, Canadian Utilities declared a second quarter dividend for 2018 of 39.33 cents per Class A non-voting and Class B common share.

### **RECENT DEVELOPMENTS**

- On February 20, 2018, we completed the acquisition of Electricidad del Golfo, which owns a long-term contracted, 35 MW hydroelectric power station based in the state of Veracruz, Mexico. The transaction was recorded for an aggregate purchase price of \$112 million.
- In March 2018, Canadian Utilities announced we will build a 26 MW cogeneration project, known as the La Laguna Cogeneration facility, on the site of the Chemours Company Mexicana S. de R.L. de C.V.'s chemical facility near Gómez Palacio, in the state of Durango, Mexico. Developed in partnership with RANMAN Energy, the La Laguna Cogeneration facility will provide low-carbon and cost-effective electricity and heat under a long-term agreement. The total investment associated with the project is approximately \$70 million, and the facility is expected to be operational in 2019.

- On March 21, 2018, the Alberta Balancing Pool provided notice of its intent to terminate the Power Purchase Arrangement (PPA) for Battle River unit 5 and that dispatch control of Battle River unit 5 would be turned back to Canadian Utilities no later than September 30, 2018. As part of the turn back, the Balancing Pool is obligated to pay Canadian Utilities a PPA termination payment, the terms of which have not been finalized.
- In March 2018, we completed work on Battle River unit 4 to enable the unit to co-fire with natural gas. Natural gas can now be used for approximately half of the unit's 155 MW total electricity generation capacity.

## 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 share data)	2018	2017 <sup>(4)</sup> (restated)
Adjusted earnings <sup>(1)</sup>	181	213
Gain on sales of operations <sup>(2)</sup>	-	30
Unrealized losses on mark-to-market forward commodity contracts <sup>(2)</sup>	(18)	(5)
Rate-regulated activities <sup>(2)</sup>	(3)	(27)
Dividends on equity preferred shares	17	17
Other <sup>(3)</sup>	2	-
<b>Earnings attributable to Class A and Class B shares</b>	<b>179</b>	<b>228</b>
<b>Weighted average shares outstanding (millions of shares)</b>	<b>270.7</b>	<b>268.4</b>

(1) 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, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward commodity contracts. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are 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.

(2) Refer to Note 5 of the consolidated financial statements for detailed descriptions of the adjustments.

(3) The Company adjusted for the deferred tax asset which was recognized as a result of the Tula Pipeline Project impairment. The adjustment is due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

(4) These numbers have been restated to account for the impact of IFRS 15. Additional details on IFRS 15 are discussed in the Other Financial Information section of the MD&A.

This news release should be used as a preparation for reading the full disclosure documents. Canadian Utilities' consolidated financial statements and management's discussion and analysis for the quarter ended March 31, 2018 will be available on the Canadian Utilities website ([www.canadianutilities.com](http://www.canadianutilities.com)), via SEDAR ([www.sedar.com](http://www.sedar.com)) or can be requested from the Company.

With approximately 5,400 employees and assets of \$21 billion, Canadian Utilities Limited is an ATCO company. ATCO is a diversified global corporation delivering service excellence and innovative business solutions in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management); Electricity (electricity generation, transmission, and distribution); Pipelines & Liquids (natural gas transmission, distribution and infrastructure development, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at [www.canadianutilities.com](http://www.canadianutilities.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 Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.*

*The Company 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 Company's expectations as of the date hereof, and is subject to change after such date. The Company 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.*