

CANADIAN UTILITIES LIMITED

Corporate Head Office: 700, 909 - 11 Avenue S.W., Calgary, Alberta T2R 1N6 Tel: (403) 292-7500

For Immediate Release

April 25, 2014

## **CANADIAN UTILITIES REPORTS 2014 FIRST QUARTER EARNINGS**

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

Canadian Utilities today reported first-quarter adjusted earnings of \$186 million in 2014 compared to \$180 million in 2013.

Increased adjusted earnings in the first quarter were due to continued capital investment by the Utility companies. ATCO Electric, ATCO Gas and ATCO Pipelines collectively invested \$506 million in electricity and natural gas transmission and distribution facilities to support the continuing growth in the province and replace aging infrastructure. Canadian Utilities earns a regulated rate of return on its utility capital investment and expects to spend \$2 billion in 2014 on a number of projects, the largest of which is the Eastern Alberta Transmission Line.

The Energy segment also achieved a 20 per cent increase in adjusted earnings compared to the same period in 2013 mainly due to higher natural gas and propane prices.

Earnings attributable to equity owners were \$221 million for the quarter ended March 31, 2014 compared to \$183 million in the same period of 2013. Adjusted Earnings will differ from earnings attributable to equity owners because of the timing of recoveries from or refunds to customers of amounts that are deferred by the Utilities for regulatory purposes; however, over time there is no difference.

Canadian Utilities declared a second quarter dividend for 2014 of 26.75 cents per Class A non-voting and Class B common share. Canadian Utilities' annual dividend per share has increased for 42 consecutive years.

## FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of adjusted earnings to earnings attributable to equity owners is provided below:

(\$ Millions except per share data)	For the Quarter Ended March 31	
	2014	2013
Adjusted earnings <sup>(1)</sup>	186	180
Adjustments for rate-regulated activities <sup>(2)</sup>	23	(5)
Dividends on equity preferred shares	12	8
Earnings attributable to equity owners	221	183
Revenues	1,017	876
Funds generated by operations <sup>(3)</sup>	517	411
Weighted average shares outstanding (millions of shares)	260.9	257.1

<sup>(1)</sup> Adjusted earnings are earnings attributable to equity owners after adjusting for the timing of revenues and expenses associated with rate-regulated activities and dividends on equity preferred shares of Canadian Utilities. Adjusted Earnings also exclude one-time gains and losses, significant impairments and items that are not in the normal course of business or 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.

<sup>(2)</sup> Refer to Note 3 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.

<sup>(3)</sup> This measure is cash flow from operations before changes in non-cash working capital. It does not have standardized meaning under IFRS and may not be comparable to similar measures used by other companies.

The \$141 million increase in revenues was due primarily to increased rate base in the Utilities segment and higher natural gas and propane prices in the Energy segment.

The \$106 million increase in funds generated by operations was due primarily to higher contributions received from customers for utility capital expenditures.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three months ended March 31, 2014, 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.

Canadian Utilities Limited, an ATCO company, with more than 7,400 employees and assets of approximately \$16 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.canadianutilities.com](http://www.canadianutilities.com).

For further information, please contact:

B.R. (Brian) Bale  
Senior Vice President &  
Chief Financial Officer  
Canadian Utilities Limited  
(403) 292-7502

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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 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.*

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