

July 27, 2017

CANADIAN UTILITIES REPORTS SECOND QUARTER 2017 EARNINGS

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

Canadian Utilities Limited today announced second quarter adjusted earnings for 2017 of \$129 million compared to \$131 million in 2016. In June 2017, the Alberta Utilities Commission (AUC) released a retroactive regulatory decision that adversely impacted Electric Transmission's adjusted earnings. Without the prior period impact from this decision, adjusted earnings in the second quarter of 2017 would have been \$135 million.

Earnings growth in the Electricity and Pipelines & Liquids global business units, mainly due to continued capital investment in our Regulated Utilities, was offset by the timing of operating costs in Electric Distribution and the earnings impact of the 2015 to 2017 General Tariff Application (GTA) Compliance Filing decision in Electric Transmission.

Canadian Utilities invested \$398 million in capital growth projects in the second quarter and \$683 million in the first half of 2017, of which 99 per cent was invested in assets that earn a return under a regulatory business model or are secured under long-term contracts. This capital investment is expected to contribute significant earnings and cash flow and create long-term value for share owners.

On July 12, 2017, Canadian Utilities declared a third quarter dividend for 2017 of 35.75 cents per Class A non-voting and Class B common share, a 10 per cent increase over the quarterly dividends declared in the same period of 2016. Canadian Utilities' annual dividend per share has increased for 45 consecutive years.

RECENT DEVELOPMENTS

- On June 19, 2017, the AUC issued a decision on Electric Transmission's Compliance Filing relating to its 2015 to 2017 GTA. This decision adjusted Electric Transmission's 2016 and 2017 forecast allocation of labour costs between O&M expense and capital, and reduced second quarter 2017 adjusted earnings by \$7 million. Without the one-time earnings adjustment from this decision related to 2016 and the first quarter of 2017, Canadian Utilities' earnings in the second quarter 2017 were \$135 million on a normalized basis.
- On July 13, 2017, Dominion Bond Rating Service affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities Limited subsidiary CU Inc.

- On July 25, 2017, Standard & Poor's Ratings Service revised its long-term corporate credit rating from 'A' with a negative outlook to 'A-' with a stable outlook on Canadian Utilities Limited and subsidiary CU Inc.
- On July 26, 2017, Standard & Poor's Ratings Service revised its long-term corporate credit rating from 'A-' to 'BBB+' with a stable outlook for ATCO Gas Australia LP.

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:

(\$ millions except share data)	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Adjusted earnings ⁽¹⁾	129	131	344	328
Gain on sales of operations ⁽²⁾	-	-	30	13
Unrealized losses on mark-to-market forward commodity contracts ⁽²⁾	(26)	-	(31)	-
Rate-regulated activities ⁽²⁾	(30)	(40)	(57)	(75)
Dividends on equity preferred shares	17	17	34	34
Other ⁽³⁾	3	-	3	-
Earnings attributable to Class A and Class B shares	93	108	323	300
Weighted average shares outstanding (millions of shares)	269.2	267.0	268.8	266.8

(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 3 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 Mexican pesos, and the U.S. dollar functional currency.

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 June 30, 2017 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 5,400 employees and assets of \$19 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.

Media & Investor Inquiries:

D.A. (Dennis) DeChamplain
Senior Vice President &
Chief Financial Officer
403-292-7502

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.