

CANADIAN UTILITIES LIMITED

Corporate Head Office: 1600, 909 - 11 Avenue S.W., Calgary, Alberta T2R 1N6 Tel: (403) 292-7500

For Immediate Release

October 30, 2013

## **CANADIAN UTILITIES REPORTS HIGHER THIRD QUARTER 2013 EARNINGS**

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

**Canadian Utilities today reported higher earnings for the third quarter of 2013 led by continued investment in utility infrastructure to support Alberta growth.**

Third quarter Adjusted Earnings were \$112 million compared to \$105 million for the same period in 2012 driven by strong earnings contributions from the Utilities.

Earnings attributable to equity owners were \$127 million compared to \$117 million in the same period in 2012. 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. In addition, one-time items are not included in Adjusted Earnings.

Adjusted Earnings were \$423 million for the nine months ended September 30, 2013 compared to \$374 million in 2012. Earnings attributable to equity owners were \$470 million for the nine months ended September 30, 2013 compared to \$411 million in 2012.

Investment in Alberta's utility infrastructure by ATCO Electric, ATCO Gas and ATCO Pipelines in the third quarter was \$514 million, bringing the total for the first nine months of 2013 to \$1,488 million, which is comparable to the same period of 2012.

## **RECENT DEVELOPMENTS**

- Construction of the Eastern Alberta Transmission Line continued in the third quarter with foundation installation and tower assembly underway.
- Canadian Utilities declared a fourth quarter dividend for 2013 of 24.25 cents per Class A non-voting and Class B common share. Canadian Utilities' annual dividend per share has increased for 41 consecutive years.
- On September 9, 2013, CU Inc., a subsidiary of Canadian Utilities, issued \$600 million of 30-year 4.722% Debentures maturing on September 9, 2043.
- On September 18, 2013, CU Inc. issued \$75 million of 50-year 4.855% Debentures maturing on September 18, 2063.

## 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 share data)	For the Three Months Ended September 30 <sup>(4)</sup>		For the Nine Months Ended September 30 <sup>(4)</sup>	
	2013	2012	2013	2012
Adjusted Earnings <sup>(1)</sup>	112	105	423	374
ATCO Structures & Logistics' Gain on Sale of Tecno Fast ATCO S.A.	15	-	15	-
Adjustments for Rate Regulated Activities <sup>(2)</sup>	(12)	3	-	10
Dividends on Equity Preferred Shares	12	9	32	27
Earnings Attributable to Equity Owners	127	117	470	411
Revenues	755	714	2,476	2,210
Funds Generated By Operations <sup>(3)</sup>	394	343	1,236	1,046
Weighted Average Shares Outstanding (millions of shares)	258.8	255.1	258.0	255.1

<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 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 5 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.

<sup>(4)</sup> 2012 financial information has been restated as a result of adopting new and amended IFRS accounting standards that became effective in 2013.

Canadian Utilities recognized a one-time gain through its investment in ATCO Structures & Logistics, which sold its interest in the Chilean joint venture, Tecno Fast ATCO S.A. This gain is included in earnings attributable to equity owners but is excluded from Adjusted Earnings.

Revenues in the third quarter and the first nine months of 2013 increased primarily due to increased rate base in the Utilities and higher power pool prices in ATCO Power.

Funds Generated by Operations increased in the third quarter and the first nine months of 2013 primarily for the same reasons earnings increased.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three and nine months ended September 30, 2013 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 Corporation.

Canadian Utilities Limited, an ATCO company, with more than 7,100 employees and assets of approximately \$15 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 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.*

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