

CANADIAN UTILITIES LIMITED

Corporate Head Office: 1400, 909 - 11 Avenue S.W., Calgary, Alberta T2R 1N6 Tel: (403) 292-7500

For Immediate Release

July 28, 2009

CANADIAN UTILITIES REPORTS SECOND QUARTER EARNINGS OF \$73.2 MILLION

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

Earnings of \$73.2 million (\$0.58 per share) for the three months ended June 30, 2009, compared to earnings of \$82.7 million (\$0.66 per share) for the same three months in 2008, were reported today by Canadian Utilities. Canadian Utilities reported an increase in “adjusted earnings” ⁽¹⁾ for the second quarter, which excludes certain items not in the normal course of business or day to day operations. Adjusted earnings for the three months ended June 30, 2009 were \$73.5 million (\$0.59 per share) compared to adjusted earnings of \$70.8 million (\$0.56 per share) for the same three months in 2008.

Earnings for the six months ended June 30, 2009 were \$218.6 million (\$1.74 per share) compared to earnings of \$233.0 million (\$1.86 per share) for the same six months in 2008. Adjusted earnings for the six months ended June 30, 2009 were \$221.8 million (\$1.77 per share) compared to adjusted earnings of \$220.8 million (\$1.76 per share) for the same six months in 2008.

RECENT DEVELOPMENTS DURING THE SECOND QUARTER

- Canadian Utilities (“CU”) finalized an agreement with ATCO Ltd. on July 1, 2009, combining ATCO Frontec Corp., a wholly-owned subsidiary of CU, with ATCO Structures Inc. and ATCO Noise Management Ltd., both wholly-owned subsidiaries of ATCO Ltd. This combination will assure expanded opportunities and improved operational efficiencies. As a result of this transaction, CU and ATCO have direct ownership interests of 24.5% and 75.5% respectively in the new company named ATCO Structures & Logistics Ltd.
- Canadian Utilities announced that it has reorganized its operating subsidiaries into three closely aligned business groups: Utilities, Energy and Structures & Logistics (previously Industrials). This is a continuation of a restructuring process that will allow each division to improve its competitive position and overall growth potential. These new Business Groups will be the basis for financial disclosure starting in the third quarter of 2009.

Financial Summary and Reconciliation of Adjusted Earnings	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2009	2008	2009	2008
	Unaudited			
(\$ Millions except per share data)				
Reported Earnings	73.2	82.7	218.6	233.0
ATCO Power Mark-to-Market Adjustment	0.3	(6.4)	3.2	(6.7)
Reallocation of Post Employment Benefits	-	(5.5)	-	(5.5)
Adjusted Earnings ⁽¹⁾	73.5	70.8	221.8	220.8
Earnings Per Share	0.58	0.66	1.74	1.86
Adjusted Earnings Per Share ⁽¹⁾	0.59	0.56	1.77	1.76
Revenues	602.7	655.6	1,371.3	1,396.2
Funds Generated By Operations ⁽¹⁾⁽²⁾	136.2	130.9	382.8	377.9

(1) This measure is 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.

Adjusted earnings for the three months ended June 30, 2009, increased primarily due to the impact of the 2009/2010 general tariff application decision in ATCO Electric (ATCO Electric GTA) and the timing and demand for natural gas storage resulting in higher storage fees in ATCO Midstream. These increases in adjusted earnings were partially offset by lower merchant performance in ATCO Power's Alberta generating plants due to lower spark spreads in the Alberta electricity market, lower natural gas liquids (NGL) prices in ATCO Midstream and lower short term interest rates on cash investments.

Adjusted earnings for the six months ended June 30, 2009, increased primarily due to the impact of the ATCO Electric GTA, the impact of the ATCO Pipelines' negotiated settlement decision for 2008 and 2009 (ATCO Pipelines' Negotiated Settlement) and increased business activity in ATCO Frontec. These increases in adjusted earnings were partially offset by lower merchant performance in ATCO Power's Alberta generating plants due to lower spark spreads in the Alberta electricity market, the 2008 recognition of insurance proceeds from the 2007/2008 Barking outage in ATCO Power's United Kingdom (U.K.) operations, the timing and demand for natural gas storage resulting in lower storage fees and lower margins for NGL extraction in ATCO Midstream and lower short term interest rates on cash investments.

Revenues for the three months ended June 30, 2009, decreased primarily due to lower merchant performance in ATCO Power's Alberta generating plants due to lower prices in the Alberta electricity market, lower natural gas fuel purchases recovered on a "no-margin" basis in ATCO Power's U.K. operations, lower NGL prices and lower sales of natural gas purchased for third parties in ATCO Midstream. Also contributing to the decrease in revenues was lower franchise fees collected on behalf of cities and municipalities in ATCO Gas and the impact of applying new accounting standards in ATCO Electric, ATCO Gas and ATCO Pipelines relating to the recognition of revenues for rate regulated assets. These decreases in revenues were partially offset by the impact of the ATCO Electric GTA, the ATCO Gas 2008/2009 general rate application decision (ATCO Gas GRA), increased Canadian and United States (U.S.) business activity in ATCO Frontec and increased storage revenues in ATCO Midstream due to the timing and demand for natural gas storage.

Revenues for the six months ended June 30, 2009, decreased primarily due to lower merchant performance in ATCO Power's Alberta generating plants due to lower prices in the Alberta electricity market, the 2008 recognition of insurance proceeds from the 2007/2008 Barking outage in ATCO Power's U.K. operations and lower NGL prices and decreased storage revenues due to the timing and demand for natural gas storage and lower sales of natural gas purchased for third parties in ATCO Midstream. Also contributing to decreased revenues was the impact of applying new accounting standards in ATCO Electric, ATCO Gas and ATCO Pipelines relating to the recognition of revenues for rate regulated assets. These decreases in revenues were partially offset by the impact of the ATCO Electric GTA, the ATCO Gas GRA, higher AUC approved customer rates resulting from the ATCO Pipelines' Negotiated Settlement and increased Canadian and U.S. business activity in ATCO Frontec.

Funds generated by operations for the three and six months ended June 30, 2009, increased primarily due to higher cash earnings and increased deferred availability incentives in Alberta Power (2000).

Canadian Utilities' consolidated financial statements and management's discussion and analysis of financial condition and results of operations for the three and six months ended June 30, 2009, will be available on Canadian Utilities' website (www.canadian-utilities.com) or via SEDAR (www.sedar.com) or can be requested from the Corporation.

Alberta-based Canadian Utilities Limited, with more than 7,700 employees and assets of approximately \$9.0 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 and midstream services), Structures & Logistics (manufacturing, logistics and noise abatement) and Technologies (business systems solutions). More information can be found on its website www.canadian-utilities.com.

For further information, please contact:

K.M. (Karen) Watson
Senior Vice President &
Chief Financial Officer
Canadian Utilities Limited
(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 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.
