

CANADIAN UTILITIES LIMITED

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For Immediate Release

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CANADIAN UTILITIES ACHIEVED RECORD EARNINGS IN 2013

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

Canadian Utilities today reported record earnings for 2013 and the Company's largest-ever annual investment in Alberta utility infrastructure.

Adjusted earnings were \$572 million compared to \$515 million in 2012. Earnings attributable to equity owners, which include items not in the normal course of business, were \$587 million for 2013 compared to \$553 million in 2012.

The Utilities business segment, which includes natural gas, electricity and pipeline infrastructure, drove the record adjusted earnings as a result of increased capital expenditures of \$2.2 billion in 2013, exceeding the \$2.1 billion spent in 2012. Investment was led by ATCO Electric, which is building new transmission infrastructure to meet Alberta's long term electricity demand and improve reliability for customers. Work continued on the \$1.8 billion Eastern Alberta Transmission Line throughout the year, while the Hanna Region Transmission Development project was completed in the third quarter.

"Our Utilities companies had a strong year building critical infrastructure in Alberta," said Nancy Southern, Chair, President & CEO, Canadian Utilities. "I'm particularly pleased that we delivered the largest project in our history, the \$650 million Hanna Transmission project, on time and \$60 million under budget."

ATCO Power also contributed to the record adjusted earnings. The primary drivers were higher realized power prices and a continued focus on maintenance which led to higher plant availability.

Higher adjusted earnings and a one-time gain through ATCO Structures & Logistics' sale of its interests in its South American operations contributed to increased earnings attributable to equity owners. Offsetting these earnings were impairments of power generation assets in the United Kingdom and natural gas gathering, processing and liquids extraction assets in western Canada.

Canadian Utilities had fourth quarter adjusted earnings of \$149 million compared to \$141 million for the same period in 2012. The increase was mainly the result of on-going investment in utility infrastructure in Alberta. Earnings attributable to equity owners were \$117 million in the fourth quarter compared to \$142 million in the same period in 2012 because of the asset impairments.

RECENT DEVELOPMENTS

- ATCO Pipelines received approval from the Alberta Utilities Commission to proceed with the approximately \$700 million Urban Pipeline Replacement Project. This project will replace and relocate the Company's aging, high-pressure natural gas pipelines located in densely populated areas of Calgary and Edmonton into the Transportation Utility Corridors that surround both cities.

- In 2013, Standard and Poor's Rating Services re-affirmed Canadian Utilities' A (Stable) rating. Additionally, in December 2013, Standard and Poor's upgraded ATCO Gas Australia's credit rating outlook from BBB (Positive) to A- (Stable).
- Canadian Utilities declared a first quarter dividend for 2014 of 26.75 cents per Class A non-voting and Class B common share, a 10% increase over the 24.25 cents paid in each of the previous four quarters. Canadian Utilities' annual dividend per share has increased for 42 consecutive years.
- On November 7 2013, CU Inc., a subsidiary of Canadian Utilities, issued \$225 million of 40-year 4.558% Debentures maturing on November 7, 2053.

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 December 31 ⁽⁴⁾		For the Year Ended December 31 ⁽⁴⁾	
	2013	2012	2013	2012
Adjusted earnings ⁽¹⁾	149	141	572	515
Gain and loss on asset sales ⁽²⁾	(1)	-	14	-
Impairments ⁽²⁾	(47)	-	(47)	-
Adjustments for rate-regulated activities ⁽²⁾	3	(7)	3	3
Dividends on equity preferred shares	13	8	45	35
Earnings attributable to equity owners	117	142	587	553
Revenues	905	829	3,381	3,039
Funds generated by operations ⁽³⁾	451	403	1,687	1,449
Weighted average shares outstanding (millions of shares)	259.8	256.0	258.4	255.3

⁽¹⁾ 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.

⁽²⁾ Refer to Note 6 to the consolidated financial statements for descriptions of the adjustments.

⁽³⁾ 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.

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

The \$342 million year over year increase in revenues (\$76 million in the fourth quarter) was mainly due to growth in the Utilities segment, higher realized power prices and increased fuel costs in power generation and natural gas extraction operations that are flowed through to customers.

Funds generated by operations increased \$238 million for the year (\$48 million in the fourth quarter) primarily for the same reasons earnings increased, coupled with higher contributions received from customers for utility capital expenditures.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three months and year ended December 31, 2013 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (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 \$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.

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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.
