

CANADIAN UTILITIES LIMITED

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For Immediate Release

October 1, 2009

## **CANADIAN UTILITIES' EARNINGS INCREASED BY TAX REVERSAL**

CALGARY, Alberta – Alberta Power (2000) Ltd. (Alberta Power), a subsidiary of Canadian Utilities Limited (CU), has received confirmation from the Tax Court of Canada ordering Canada Revenue Agency (CRA) to reverse its 2006 reassessment of Alberta Power's 2001 tax return.

The impact of the judgment is a \$13.7 million recovery of income tax and related interest expense reassessed by CRA in 2006. In addition, Alberta Power will receive interest income of approximately \$3.1 million earned on such amounts paid to CRA. These adjustments will result in a \$16.8 million increase in earnings. CRA will be required to refund to Alberta Power approximately \$28.0 million including interest and net of consequential adjustments to other taxation years arising from the judgment.

The reassessment treated the proceeds received from the sale of the H.R. Milner generating plant to the Alberta Balancing Pool as income rather than as a sale of an asset. Alberta Power successfully argued that its treatment of the proceeds as a capital receipt was correct.

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 at [www.canadian-utilities.com](http://www.canadian-utilities.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 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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