CANADIAN UTILITIES LIMITED
An ATCO Company

News Release

CANADIAN UTILITIES LIMITED
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For Immediate Release

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CANADIAN UTILITIES REPORTS THIRD QUARTER 2011 EARNINGS

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

Canadian Utilities today reported earnings attributable to equity owners of $66 million ($0.47 per share) and Adjusted Earnings of $106 million ($0.84 per share) for the quarter ended September 30, 2011. This compares to earnings of $87 million ($0.64 per share) and Adjusted Earnings of $88 million ($0.70 per share) for the same period in 2010, an increase of $18 million in Adjusted Earnings (refer to Importance of Adjusted Earnings).

Earnings were $340 million ($2.51 per share) and Adjusted Earnings were $363 million ($2.85 per share) for the nine months ended September 30, 2011. This compares to earnings of $314 million ($2.34 per share) and Adjusted Earnings of $312 million ($2.47 per share) for the same period in 2010, an increase of $51 million in Adjusted Earnings.

On July 29, 2011, Canadian Utilities Limited acquired 100 per cent of a natural gas distribution utility in Perth, Western Australia. The aggregate purchase price was approximately $1.1 billion, including the assumption of $689 million of debt. The purchase price included transaction costs, consisting of estimated stamp duty and legal and advisory services, of $50 million, which reduced earnings by $3 million in the second quarter and $47 million in the third quarter; these transaction costs have been adjusted (see Reconciliation of Adjusted Earnings). Earnings from operations are included in the third quarter from the date of acquisition.

In addition, Adjusted Earnings in the third quarter and first nine months of 2011 increased due to higher power pool prices and related spark spreads for ATCO Power's Alberta generating plants and higher infrastructure investment in the Utilities' regulated rate base, offset by expiry of the Barking generating plant's revenue contract in the third quarter of 2010.

Adjusted Earnings is 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. The importance of Adjusted Earnings is further explained after the Financial Summary and Reconciliation of Adjusted Earnings section.

Earnings reflect Canadian Utilities' implementation of International Financial Reporting Standards (IFRS). Comparative figures for 2010 have been presented on the same basis.

RECENT DEVELOPMENTS

- On September 21, 2011, Canadian Utilities issued $325 million of 4.00% Cumulative Redeemable Second Preferred Shares Series Y.
- On October 24, 2011, Canadian Utilities' subsidiary, CU Inc., issued $500 million of 4.543% debentures maturing in 2041 and $200 million of 4.593% debentures maturing in 2061.
- On October 25, 2011, Canadian Utilities announced its intention to redeem all outstanding Series O, T and U Perpetual Cumulative Second Preferred Shares totaling $100 million. The redemption is expected to occur in the fourth quarter.
- Canadian Utilities Limited declared a third quarter dividend for 2011 of 40.25 cents per Class A non-voting and Class B common share.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of Adjusted Earnings to earnings attributable to equity owners of Canadian Utilities is provided below:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
($ Millions except per share data)	**2011**	2010	**2011**	2010
		(*Unaudited*)		
Adjusted Earnings [1]	**106**	88	**363**	312
Adjustments for Rate Regulated Activities	**1**	(8)	**7**	(18)
Acquisition Transaction Costs	**(47)**	-	**(50)**	-
Dividends on Equity Preferred Shares	**6**	7	**20**	20
Earnings Attributable to Equity Owners	**66**	87	**340**	314
Adjusted Earnings Per Share [1]	**0.84**	0.70	**2.85**	2.47
Earnings Per Share	**0.47**	0.64	**2.51**	2.34
Revenues	**696**	562	**2,168**	1,977
Funds Generated By Operations [1] [2]	**260**	241	**914**	747

(1) These measures are not defined by IFRS 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.

The increase in **Revenues** in the third quarter and first nine months of 2011 is primarily due to increased flow through natural gas sales in ATCO Midstream, higher Alberta power pool prices in ATCO Power, higher Utilities revenues arising from increased infrastructure investment and the Australia acquisition. These increases were offset by expiry of the Barking generating plant's revenue contract in the third quarter of 2010. Furthermore, the first nine months of 2010 included one-time revenues of $130 million related to the lease of the first and second units of the Karratha plant in Australia.

Funds Generated by Operations in the third quarter and first nine months of 2011 benefited from increased contributions by utility customers for extensions to plant and lower income tax payments.

IMPORTANCE OF ADJUSTED EARNINGS

Adjusted Earnings are defined as earnings attributable to equity owners of Canadian Utilities after adjusting for the timing of revenues and expenses associated with rate regulated activities and equity preferred share dividends. Adjusted Earnings will present earnings on the same basis as was used prior to adopting IFRS – that basis being the U.S. accounting principles for rate regulated entities commonly used by regulated companies in Canada. 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 is a key measure for several reasons:

- It is used by the ATCO Group in assessing segment performance and allocating resources.
- It is the ATCO Group's view that this measure is a better reflection of the economics of rate regulation that are directly affected by orders and decisions of utility regulators.
- It will facilitate comparison with those Canadian regulated companies that choose to wait another year before adopting IFRS and with those companies that may choose to adopt U.S. accounting principles instead of IFRS.

For rate regulated activities, the differences between Adjusted Earnings and earnings as reported under IFRS are strictly timing in nature: Adjusted Earnings for the Utilities and ATCO Australia are recognized on the basis of accounting principles that recognize the economics of rate regulation and take into account the orders and decisions of the regulator, whereas earnings under IFRS are recognized when billed to customers. Over time, there is no difference.

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.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three and nine months ended September 30, 2011, will be available on Canadian Utilities' website (www.canadian-utilities.com) or via SEDAR (www.sedar.com) or can be requested from the Company.

Alberta-based Canadian Utilities Limited, an ATCO company, with more than 6,000 employees and assets of approximately $11 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.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.