

CANADIAN UTILITIES REPORTS 2015 SECOND QUARTER EARNINGS

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

Canadian Utilities Limited today announced higher second quarter 2015 adjusted earnings of \$101 million compared to \$85 million in 2014, led by continued investment in utility infrastructure.

Canadian Utilities continued to make significant investment in utility infrastructure in Alberta along with improvements in operations and maintenance costs. The Company's Utilities in Alberta invested \$306 million in the second quarter and \$617 million for the year to date. This investment was for projects to replace aging infrastructure as well as new infrastructure to meet Alberta's long-term natural gas and electricity demand, and improve reliability for customers.

On July 9, 2015, Canadian Utilities declared a third quarter dividend for 2015 of 29.50 cents per Class A non-voting and Class B common share. This represents a 10 per cent increase on the dividends declared in the same period last year. Canadian Utilities' annual dividend per share has increased for 43 consecutive years.

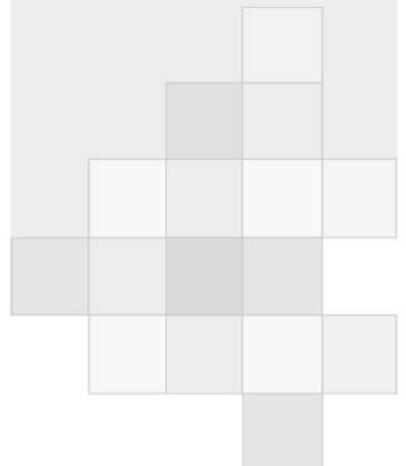
RECENT DEVELOPMENTS

- In June 2015, the Alberta Utilities Commission issued a decision on ATCO Electric Transmission's interim rates and approved the 2015 interim revenue requirement at 90% of the applied for amount under ATCO Electric's general tariff application for its operations for 2015, 2016 and 2017.
- Earnings for ATCO Australia were unfavourably impacted by a regulatory decision from the Economic Regulation Authority (ERA). In July 2015, the ERA released its Final decision for ATCO Gas Australia's next Access Arrangement that covers the period from July 2014 to December 2019. Among other things, the decision reduced the return on equity. The Access Arrangement decision reduced second quarter earnings by \$19 million, \$3 million related to the second quarter of 2015 and \$16 million related to prior periods. Without the one-time earnings adjustment that related to prior periods, adjusted earnings in ATCO Australia were \$1 million higher than the second quarter of 2014.

July 29, 2015

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- On July 27, 2015 CU Inc., a subsidiary of the Company, issued \$400 million of 3.964 per cent 30-year debentures. Proceeds from this issue will be used to finance capital expenditures, to repay existing indebtedness, and for other general corporate purposes of the Utilities.
- On July 27, 2015, the Company entered into an agreement with a syndicate of underwriters who have agreed to buy \$125 million of 5.25 per cent fixed Cumulative Redeemable Second Preferred Shares Series EE. The Company has granted the underwriters an option to purchase up to an additional \$50 million on the date that is two business days prior to closing. Should the option be fully exercised, the total gross proceeds of the issue will be \$175 million. The closing date of the issue is expected to be on or about August 7, 2015. Proceeds from this issue will be used for capital expenditures, to repay existing indebtedness and for other general corporate purposes.

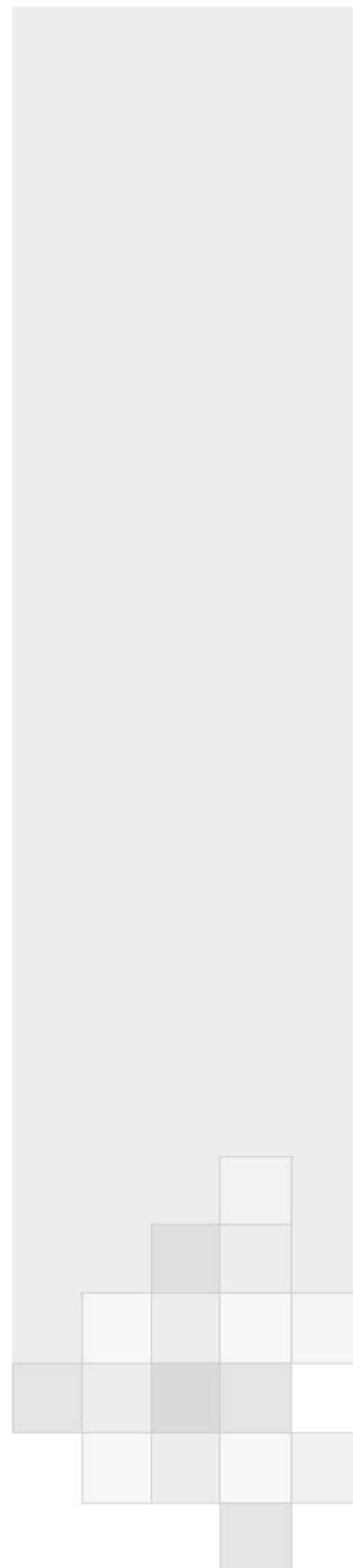
FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

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 June 30		For the Six Months Ended June 30	
	2015	2014	2015	2014
Adjusted earnings ⁽¹⁾	101	85	231	271
Restructuring costs ⁽²⁾	(4)	-	(4)	-
Impairments ⁽²⁾	(4)	(11)	(4)	(11)
Rate-regulated activities ⁽²⁾				
Change in income taxes ⁽²⁾	(63)	-	(63)	-
Other ⁽²⁾	-	28	32	51
Dividends on equity preferred shares	13	13	25	25
Earnings attributable to equity owners	43	115	217	336
Weighted average shares outstanding (millions of shares)	264.2	261.7	263.9	261.3

(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 a result of 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 3 of the consolidated financial statements for descriptions of the adjustments.



Earnings attributable to equity owners were \$43 million in the second quarter of 2015 compared to \$115 million in the same period of 2014. The largest impact was due to the Government of Alberta announced increase in the corporate tax rate from 10 per cent to 12 per cent effective July 1, 2015. The Company made a one-time adjustment to earnings relating to deferred income taxes to reflect the portion of the income tax that will be billed and recovered from utility customers in future periods.

This news release should be used as a preparation for reading the full disclosure documents. Canadian Utilities' consolidated financial statements and management's discussion and analysis for the second quarter ended June 30, 2015, will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With nearly 6,800 employees and assets of approximately \$17 billion, Canadian Utilities Limited is an ATCO Company, a diversified global corporation delivering service excellence and innovative business solutions through leading companies engaged in Utilities and Energy. More information can be found at www.canadianutilities.com.

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's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

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.

