

CANADIAN UTILITIES LIMITED

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For Immediate Release

February 18, 2010

## **CANADIAN UTILITIES REPORTS RECORD EARNINGS OF \$466.6 MILLION FOR 2009**

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

**Canadian Utilities today reported increased annual earnings of \$466.6 million (\$3.71 per share) for 2009**, compared to \$414.5 million (\$3.30 per share) for 2008, a 13% increase. Adjusted earnings <sup>(1)</sup> for 2009 were \$427.6 million (\$3.40 per share), compared to \$403.2 million (\$3.21 per share) for 2008, a 6% increase. Adjusted earnings exclude certain items not in the normal course of business or day to day operations.

For the fourth quarter, 2009 earnings were \$127.1 million (\$1.01 per share), compared to earnings of \$114.5 million (\$0.91 per share) for 2008. Adjusted earnings increased to \$129.1 million (\$1.02 per share), compared to \$110.8 million (\$0.88 per share) for 2008.

## **RECENT DEVELOPMENTS**

- On November 12, 2009, the Alberta Utilities Commission (AUC) issued its decision on the 2009 Generic Cost of Capital proceeding (2009 Generic Cost of Capital Decision). In this decision, the AUC set the 2009 and 2010 generic return on equity at 9.0% for all Alberta utilities that it regulates and established the common equity ratios for each of ATCO's utility companies.
- Canadian Utilities declared a first quarter dividend for 2010 of 37.75 cents per Class A non-voting and Class B common share, a 7.1% increase over the 35.25 cents paid in each of the previous four quarters. Dividends have increased each year since 1972.
- Canadian Utilities released its first corporate sustainability report to investors, customers, business partners, employees, the environment and the communities it serves. This report is available on Canadian Utilities' website ([www.canadian-utilities.com](http://www.canadian-utilities.com)).
- Canadian Utilities and its employees, as part of the ATCO Group, pledged \$2.97 million to more than 500 charitable organizations through their company-wide ATCO Employees Participating in Communities (EPIC) fundraising program.
- Brian R. Bale was appointed Senior Vice President & Chief Financial Officer effective December 1, 2009. Mr. Bale, who was most recently the Senior Vice President, Finance and Regulatory, ATCO Gas, replaced Karen M. Watson who retired after 33 years of dedicated service to ATCO Group.

Financial Summary and Reconciliation of Adjusted Earnings	For the Three Months Ended December 31		For the Twelve Months Ended December	
	2009	2008	2009	2008
(\$ Millions except per share data)				
Reported Earnings	127.1	114.5	466.6	414.5
ATCO Power Mark-to-Market Adjustment	2.0	1.1	7.4	2.0
H.R. Milner Tax Decision	-	-	(16.8)	-
Reallocation of Post Employment Benefits	-	(1.5)	-	(7.0)
Other Tax Decisions	-	(3.3)	-	(6.3)
Gain on Amalgamation of ASL	-	-	(29.6)	-
Adjusted Earnings <sup>(1)</sup>	129.1	110.8	427.6	403.2
Earnings Per Share	1.01	0.91	3.71	3.30
Adjusted Earnings Per Share <sup>(1)</sup>	1.02	0.88	3.40	3.21
Revenues	675.6	744.3	2,584.0	2,778.9
Funds Generated By Operations <sup>(1) (2)</sup>	229.1	249.1	793.4	796.5

(1) These measures are 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.

**The increase in 2009 annual adjusted earnings** were attributable to two primary drivers:

- 1) cost efficiencies throughout the organization; and
- 2) higher utility investment in rate base.

During 2009, the Utilities Segment invested \$776.1 million in new infrastructure in Alberta. Earnings in the Utilities Segment also improved in 2009 due to the impact of the ATCO Pipelines negotiated settlement decision for 2008 and 2009. Earnings in the Energy Segment were lower than 2008 primarily due to lower power prices and related spark spreads in the Alberta electricity market for ATCO Power.

**The increase in fourth quarter adjusted earnings** was primarily attributable to the Utilities Segment. The earnings growth in this segment was due to the impact of the 2009 Generic Cost of Capital Decision, higher utility investment in rate base and cost efficiencies related to operating and maintenance expense. Adjusted earnings in the Energy Segment were higher due to improvements in ATCO Midstream's natural gas storage earnings. This was partially offset by lower earnings in ATCO Power due to lower power prices and related spark spreads in the Alberta electricity market.

**Canadian Utilities' cash position at December 31, 2009 was \$0.8 billion** compared to \$0.7 billion at December 31, 2008. This increase in cash occurred during a year in which capital expenditures were \$0.9 billion compared to \$1.0 billion in 2008.

Canadian Utilities' consolidated financial statements, management's discussion and analysis of financial condition and results of operations for the three and twelve months ended December 31, 2009, will be available on Canadian Utilities' website ([www.canadian-utilities.com](http://www.canadian-utilities.com)) or via SEDAR ([www.sedar.com](http://www.sedar.com)) or can be requested from the Corporation.

Alberta-based Canadian Utilities Limited, an ATCO company, with more than 5,700 employees and assets of approximately \$9.1 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 liquid extraction) and Technologies (business systems solutions). More information can be found at [www.canadian-utilities.com](http://www.canadian-utilities.com).

For further information, please contact:

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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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