

For Immediate Release

February 20, 2015

CANADIAN UTILITIES REPORTS RECORD EARNINGS IN 2014

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

Canadian Utilities today announced record earnings for 2014 of \$575 million.

Adjusted earnings were \$575 million compared to \$572 million in 2013. Earnings attributable to equity owners, including the strategic disposition of select assets or operations, were \$711 million for 2014 compared to \$587 million in 2013.

Canadian Utilities continued to make significant investment in utility infrastructure in Alberta, including the replacement of aging infrastructure in the province. The Company's Utilities in Alberta invested a combined \$524 million during the fourth quarter of 2014, bringing the total investment for the year to \$2.1 billion. Over the last three years, capital investment by the Utilities totaled \$6.4 billion. 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.

"2014 was another strong year of investment growth for our Utility Companies in both Canada and Australia," said Nancy Southern, Chair, President & CEO, Canadian Utilities. "One of our most significant achievements last year was winning the largest competitively bid transmission project in our Company's history - competing against a multitude of international and national corporates." The right of way, planning and permit process has already begun on this \$1.4 billion transmission line between Edmonton and Fort McMurray, Alberta, with a scheduled completion date in 2019.

The increased earnings in the Utilities during 2014 were partly offset by lower adjusted earnings in ATCO Power as a result of lower average Alberta Power Pool prices, combined with less price volatility as a result of increased availability of coal-fired generation in the province.

Increased earnings attributable to equity owners were primarily the result of a gain on sale of the Company's information technology services business for gross proceeds of \$204 million in the third quarter of 2014, resulting in a one-time gain of \$138 million after income taxes. The comparable quarter of 2013 included the sale by ATCO Structures & Logistics of its interests in its South American operations for cash proceeds of \$124 million. The Company's 24.5 per cent share of the one-time gain resulting from the sale was \$15 million. Proceeds from these sales were redeployed to finance the Company's growth initiatives, including the significant capital investment program underway in the Utilities.

Canadian Utilities had fourth quarter 2014 adjusted earnings of \$182 million compared to \$149 million in the same period of 2013. The primary reason for the higher earnings was capital investment in the Utilities. The increased adjusted earnings in the fourth quarter of 2014 were the primary reason for higher earnings attributable to equity owners of \$151 million, compared to \$117 million in the same period of 2013.

RECENT DEVELOPMENTS

- Canadian Utilities declared a first quarter dividend for 2015 of 29.50 cents per Class A non-voting and Class B common share, a 10 per cent increase over the 26.75 cents per share paid in each of the previous four quarters of 2014. Canadian Utilities' annual dividend per share has increased for 43 consecutive years.
- In January 2015, the Company announced the partnership between ATCO Energy Solutions and Petrogas Energy Corp. had secured long-term contracts for all four salt caverns under development for hydrocarbon storage located at ATCO's Heartland Energy Centre near Fort Saskatchewan, Alberta.
- In December 2014, Alberta PowerLine, a newly formed partnership between the Company and Quanta Capital, was awarded a 35-year, \$1.4 billion contract by the Alberta Electric System Operator (AESO) for the Fort McMurray West 500-kilovolt Transmission Project. This project will increase the capacity of the electricity system in northeastern Alberta and help to ensure that this economically vital area of the province has the power it needs.
- In 2014, Standard and Poor's Ratings Services (S&P) and DBRS Limited re-affirmed their ratings of Canadian Utilities as "A" with a stable outlook and "A" (low) with a stable trend, respectively. Additionally, in February 2015, S&P re-affirmed its rating of ATCO Gas Australia Limited Partnership's debt as "A-" with a stable outlook.

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		For the Year Ended December 31	
	2014	2013	2014	2013
Adjusted earnings ⁽¹⁾	182	149	575	572
Gain on sale of operations ⁽²⁾	-	(1)	138	14
Impairments ⁽³⁾	(17)	(47)	(28)	(47)
Adjustments for rate-regulated activities ⁽⁴⁾	(27)	3	(24)	3
Dividends on equity preferred shares	13	13	50	45
Earnings attributable to equity owners	151	117	711	587
Weighted average shares outstanding (millions of shares)	263.0	259.8	262.0	258.4

⁽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⁾ Represents the impact of the gain on sale of the information technology services business in 2014. In addition, represents the Company's share of the gain on sale of South American operations, partly offset by a loss on sale of U.K. rental fleet sales in 2013.

⁽³⁾ Refer to Note 12 of the consolidated financial statements for an explanation of the impairments.

⁽⁴⁾ Refer to Note 5 of 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 fourth quarter and year ended December 31, 2014, will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With more than 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 (pipelines, natural gas and electricity transmission and distribution) and Energy (power generation and sales, industrial water infrastructure, natural gas gathering, processing, storage and liquids extraction). 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.
