

CANADIAN UTILITIES LIMITED

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For Immediate Release

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CANADIAN UTILITIES REPORTS 2013 FIRST QUARTER EARNINGS

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

Canadian Utilities today reported higher Adjusted Earnings in the first quarter of 2013 as the company continues to invest in utility infrastructure to support Alberta growth.

Adjusted Earnings were \$180 million for the quarter ended March 31, 2013 compared to \$174 million in the same period of 2012. Earnings attributable to equity owners were \$183 million for the quarter ended March 31, 2013 compared to \$190 million in the same period of 2012. Adjusted Earnings will differ from earnings attributable to equity owners because of the timing of recoveries from or refunds to customers of amounts that are deferred by the Utilities for regulatory purposes; however, over time there is no difference.

Growth in the rate base continues to have a positive impact on ATCO Electric. The Hanna Region Transmission Development Project, which will provide major transmission reinforcement in southeast Alberta, is nearing completion, and is expected to be in-service by the end of the second quarter of 2013. Construction commenced on the Eastern Alberta Transmission Line following receipt of project approval in late 2012. The project will provide additional transmission capacity to Alberta's existing electricity transmission system. Together, ATCO Electric, ATCO Gas, and ATCO Pipelines invested \$511 million in utility infrastructure in the first quarter of 2013 to support Alberta growth.

Adjusted Earnings for the quarter were partially offset by lower realized prices on short-term forward power sales contracts for ATCO Power's Alberta generating plants and an unfavourable arbitration decision that reduced earnings for the Sheerness plant.

RECENT DEVELOPMENTS

- Canadian Utilities declared a second quarter dividend for 2013 of 48.5 cents per Class A non-voting and Class B common share. Canadian Utilities' annual dividend per share has increased for 41 consecutive years.
- Canadian Utilities Limited issued \$175 million of 4.5% Cumulative Redeemable Second Preferred shares at a price of \$25.00 per share.
- Canadian Utilities Limited announced on February 21, 2013, that it intends to split its Class A non-voting shares and Class B common shares on a two-for-one basis by way of a share dividend in 2013. Canadian Utilities Limited's parent, ATCO Ltd., also announced on the same day its intention to split its shares by way of a share dividend in 2013. The share splits of both companies are expected to occur concurrently at a date to be determined following the Canadian Utilities and ATCO annual general meetings, which are scheduled for May 8, 2013 and May 16, 2013, respectively.

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 per share data)	For the Quarter Ended March 31	
	2013	2012 ⁽⁴⁾
Adjusted Earnings ⁽¹⁾	180	174
Adjustments for Rate Regulated Activities ⁽²⁾	(5)	7
Dividends on Equity Preferred Shares	8	9
Earnings Attributable to Equity Owners	183	190
Revenues	876	811
Funds Generated By Operations ⁽³⁾	411	411

⁽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 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⁾ *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.*

⁽³⁾ *This measure is cash flow from operations before changes in non-cash working capital. It does not have standardized meaning under IFRS and may not be comparable to similar measures used by other companies.*

⁽⁴⁾ *2012 financial information has been restated as a result of adopting new and amended IFRS accounting standards that became effective in 2013.*

The \$65 million increase in revenues was due primarily to increased rate base in the utilities, colder weather in the first quarter of 2013, and increased flow-through natural gas sales in ATCO Energy Solutions' natural gas liquids extraction operations.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three months ended March 31, 2013, will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Corporation.

Canadian Utilities Limited, an ATCO company, with more than 7,100 employees and assets of approximately \$14 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.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 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.
