

CANADIAN UTILITIES LIMITED

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For Immediate Release

February 21, 2013

CANADIAN UTILITIES REPORTS RECORD ANNUAL 2012 EARNINGS

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

Earnings attributable to equity owners were \$561 million (\$4.12 per share) for the year ended December 31, 2012 compared to \$496 million (\$3.65 per share) in 2011. Adjusted Earnings were \$517 million for the year ended December 31, 2012 compared to \$471 million in 2011.

Fourth quarter earnings were \$144 million (\$1.06 per share) compared to \$156 million (\$1.14 per share) in the same period in 2011. Fourth quarter Adjusted Earnings were \$141 million and \$109 million for the same period in 2011.

The company's strong performance in 2012 was led by ATCO Electric's construction of new transmission infrastructure to meet Alberta's long term electricity demand and improve reliability for consumers. ATCO Electric has approximately two dozen transmission infrastructure projects either approved or under construction. In 2012, major industrial customers in northeast Alberta were connected to the province's transmission grid and the electricity system serving that growing region of the province was reinforced. Construction continues on the Hanna Region Transmission Development Project in southeast Alberta with an expected in-service by the end of the second quarter of 2013. In the fourth quarter, ATCO Electric received approval to commence construction of the Eastern Alberta Transmission Line, which is expected to be in service in late 2014.

Fourth quarter capital investment of \$648 million by ATCO Electric, ATCO Gas and ATCO Pipelines brought the total utility capital investment for the year to \$2.1 billion. These capital expenditures added to the rate base upon which the companies earn a regulated return.

ATCO Gas Australia marked its first full year of operations under ATCO ownership, with higher earnings reflecting a favorable decision on its appeal of an earlier decision covering the current Access Arrangement period 2010 - 2014.

Increased earnings in 2012 were partially offset by lower earnings at ATCO Power primarily due to planned maintenance outages at several ATCO Power generating plants and lower earnings from ATCO Energy Solutions' natural gas liquids extraction and gas gathering and processing operations.

RECENT DEVELOPMENTS

- Canadian Utilities declared a first quarter dividend for 2013 of 48.5 cents per Class A non-voting and Class B common share, a 10% increase over the 44.25 cents paid in each of the previous four quarters. Canadian Utilities' annual dividend per share has increased for 41 consecutive years.
- CU Inc., a wholly owned subsidiary of Canadian Utilities, issued \$200 million of 3.857% Debentures maturing on November 14, 2052.
- Canadian Utilities Limited issued \$200 million of 3.122% Debentures maturing November 9, 2022.

- Effective December 1, 2012, Nancy C. Southern was appointed Chair of Canadian Utilities Limited by its Board of Directors, replacing Ronald D. Southern. As Chairman Emeritus & Founder, ATCO Group, Mr. Southern continues to serve as a Director of Canadian Utilities Limited.

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 Three Months Ended December 31 | | For the Year Ended December 31 | |
|--|---|------|-----------------------------------|-------|
| | 2012 | 2011 | 2012 | 2011 |
| Adjusted Earnings ⁽¹⁾ | 141 | 109 | 517 | 471 |
| Adjustments for Rate Regulated Activities ⁽²⁾ | (5) | 37 | 9 | 45 |
| Acquisition Transaction Costs | - | - | - | (50) |
| Dividends on Equity Preferred Shares | 8 | 10 | 35 | 30 |
| Earnings Attributable to Equity Owners | 144 | 156 | 561 | 496 |
| Earnings Per Share | 1.06 | 1.14 | 4.12 | 3.65 |
| Revenues | 855 | 827 | 3,139 | 2,999 |
| Funds Generated By Operations ⁽³⁾ | 416 | 414 | 1,483 | 1,319 |

⁽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 4 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.

The \$140 million annual increase in revenues (\$28 million in the fourth quarter) was due primarily to increased rate base in the utilities and the acquisition of ATCO Gas Australia in the third quarter of 2011. These increases in revenues were partially offset by lower flow through natural gas sales in ATCO Energy Solution's natural gas liquids extraction operations.

Funds Generated by Operations increased \$164 million for the year (\$2 million in the fourth quarter) primarily for the same reasons earnings increased, as well as higher contributions by utility customers required to connect customers to utility infrastructure.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three months and year ended December 31, 2012, 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 \$13 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.
