

CANADIAN UTILITIES LIMITED

Corporate Head Office: 1400, 909 - 11 Avenue S.W., Calgary, Alberta T2R 1N6 Tel: (403) 292-7500

For Immediate Release

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CANADIAN UTILITIES REPORTS HIGHER SECOND QUARTER 2013 EARNINGS

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

Canadian Utilities today reported higher earnings for the second quarter of 2013 led by continued investment in utility infrastructure to support Alberta growth.

Second quarter Adjusted Earnings were \$131 million compared to \$95 million for the same period in 2012 driven by strong earnings contributions from the utilities and power businesses.

Earnings attributable to equity owners were \$160 million compared to \$104 million in the same period in 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.

Adjusted Earnings were \$311 million for the six months ended June 30, 2013 compared to \$269 million in 2012. Earnings attributable to equity owners were \$343 million for the six months ended June 30, 2013 compared to \$294 million in 2012.

The Hanna Region Transmission Development Project, which provides major transmission reinforcement in southeast Alberta, was completed in July. The project was delivered on schedule and under budget. Investment in Alberta's utility infrastructure by ATCO Electric, ATCO Gas and ATCO Pipelines in the second quarter was \$463 million, bringing the total for the first six months of 2013 to \$974 million. This capital expenditure exceeded the total investment for the first half of 2012 by \$37 million.

RECENT DEVELOPMENTS

- In May 2013, Canadian Utilities' Board of Directors approved a two-for-one share split of outstanding Class A non-voting and Class B common shares. The split occurred on June 14, 2013 by way of a share dividend.
- Canadian Utilities declared a third quarter dividend for 2013 of 24.25 cents per Class A non-voting and Class B common share, which amount reflected the two-for-one share split. Canadian Utilities' annual dividend per share has increased for 41 consecutive years.
- On May 15, 2013, Canadian Utilities issued \$225 million Cumulative Redeemable Second Preferred Shares Series DD at a price of \$25 per share.

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 ⁽⁴⁾		For the Six Months Ended June 30 ⁽⁴⁾	
	2013	2012	2013	2012
Adjusted Earnings ⁽¹⁾	131	95	311	269
Adjustments for Rate Regulated Activities ⁽²⁾	17	-	12	7
Dividends on Equity Preferred Shares	12	9	20	18
Earnings Attributable to Equity Owners	160	104	343	294
Revenues	845	685	1,721	1,496
Funds Generated By Operations ⁽³⁾	431	292	842	703
Weighted Average Shares Outstanding (millions of shares)	257.9	255.0	257.5	255.1

⁽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.

Revenues in the second quarter and the first six months of 2013 increased primarily due to increased rate base in the Utilities, higher power pool prices in ATCO Power and higher flow through natural gas sales in ATCO Energy Solutions' natural gas liquids extraction operations.

Funds Generated by Operations increased in the second quarter and the first six months of 2013 primarily for the same reasons earnings increased.

Canadian Utilities' consolidated financial statements and management's discussion and analysis for the three and six months ended June 30, 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.

For further information, please contact:

B.R. (Brian) Bale
Senior Vice President &
Chief Financial Officer
Canadian Utilities Limited
(403) 292-7502

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.
