



News Release

CANADIAN UTILITIES LIMITED

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For Immediate Release

December 1, 2010

CANADIAN UTILITIES LIMITED AND CU INC. APPLY TO TRANSFER NATURAL GAS STORAGE ASSETS

Assets to be transferred internally

CALGARY, Alberta – Canadian Utilities Limited (TSX: CU, CU.X) and its subsidiary, CU Inc. (TSX: CIU.PR.A), today announced that an application has been filed with the Alberta Utilities Commission to approve the internal transfer of natural gas storage facility assets located at Carbon, Alberta.

The 43.5 petajoule natural gas storage facility assets are currently non-utility assets owned by ATCO Gas and Pipelines Ltd., a subsidiary of CU Inc. Under the proposed transaction, these assets would be transferred to ATCO Midstream Ltd., a non-regulated subsidiary of Canadian Utilities Limited.

The transfer allows Canadian Utilities Limited to further align its regulated and non-regulated businesses, while CU Inc. will continue to own and finance its rate-regulated subsidiaries, ATCO Electric, ATCO Gas and ATCO Pipelines.

The transaction is subject to the completion of documentation and receipt of all necessary approvals, including regulatory approval in a form satisfactory to the Board of Directors of Canadian Utilities Limited. The transaction is expected to be completed in the first quarter of 2011.

Based on discussions with the ratings agencies, DBRS and S&P, it is expected that the transfer of these assets will have no impact on the current credit ratings of Canadian Utilities Limited and CU Inc.

Alberta-based Canadian Utilities Limited, an ATCO company, with more than 5,700 employees and assets of approximately \$9 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).

CU Inc., a wholly owned subsidiary of Canadian Utilities Limited, is an Alberta-based corporation with assets of approximately \$7 billion and 4,200 employees and is comprised of rate-regulated utility operations in pipelines, natural gas and electricity transmission and distribution.

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. In particular, there can be no assurance that a transaction will be completed. 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.
