

CANADIAN UTILITIES LIMITED

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For Immediate Release

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CANADIAN UTILITIES REPORTS SECOND QUARTER EARNINGS

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

Earnings of \$82.2 million (\$0.65 per share) for the three months ended June 30, 2008, compared to earnings of \$81.1 million (\$0.65 per share) for the same three months in 2007, were reported today by Canadian Utilities. Canadian Utilities reported an increase in “adjusted earnings”⁽¹⁾ for the second quarter, which excludes certain items not in the normal course of business or a result of day-to-day operations. Adjusted earnings for the three months ended June 30, 2008 were \$70.3 million (\$0.56 per share) compared to adjusted earnings of \$67.5 million (\$0.54 per share) for the same three months in 2007.

Earnings for the six months ended June 30, 2008 were \$232.2 million (\$1.85 per share) compared to earnings of \$215.8 million (\$1.72 per share) for the same six months in 2007. Adjusted earnings for the six months ended June 30, 2008 were \$220.0 million (\$1.75 per share) compared to adjusted earnings of \$197.7 million (\$1.58 per share) for the same six months in 2007.

Financial Summary and Reconciliation of Adjusted Earnings	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2008	2007	2008	2007
(\$ Millions except per share data)	<i>(unaudited)</i>			
Reported Earnings	82.2	81.1	232.2	215.8
ATCO Power Mark-to-Market Adjustment	(6.4)	2.0	(6.7)	(2.5)
2007 Change in Preferred Share Taxes	-	(15.6)	-	(15.6)
Reallocation of Post Employment Benefits	(5.5)	-	(5.5)	-
Adjusted Earnings (1)	70.3	67.5	220.0	197.7
Earnings Per Share	0.65	0.65	1.85	1.72
Adjusted Earnings Per Share (1)	0.56	0.54	1.75	1.58
Revenues	655.6	560.3	1,396.2	1,257.9
Funds Generated By Operations (1) (2)	145.9	163.3	389.1	395.5

(1) This measure is not defined by Generally Accepted Accounting Principles and may not be comparable to similar measures used by other companies.

(2) This measure is cash flow from operations before changes in non-cash working capital.

Adjusted earnings for the three months ended June 30, 2008, increased primarily due to improved merchant performance in ATCO Power’s Alberta generating plants due to higher spark spreads realized on sales of electricity, increased international operations in ATCO Frontec, the impact of Alberta Utilities Commission (“AUC”) approved interim customer rates in ATCO Gas associated with the 2008/2009 general rate application (“ATCO Gas Interim Rates”) net of cost increases, and colder temperatures in ATCO Gas, and the impact of higher AUC approved customer rates associated with the 2007/2008 general tariff application in ATCO Electric (“ATCO Electric GTA”). These increases were partially offset by lower storage fees in ATCO Midstream and the earnings impact of \$3.1 million, net of income taxes, due to the change in quarterly depreciation expense allocation in ATCO Gas.

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Adjusted earnings for the six months ended June 30, 2008, increased primarily due to improved merchant performance in ATCO Power's Alberta generating plants due to higher spark spreads realized on sales of electricity, increased international operations in ATCO Frontec, ATCO Gas Interim Rates net of cost increases and colder temperatures in ATCO Gas, the impact of the ATCO Electric GTA, and higher margins for Natural Gas Liquids ("NGL") extraction in ATCO Midstream. These increases were partially offset by lower storage fees in ATCO Midstream.

Revenues for the three months ended June 30, 2008, increased primarily due to improved merchant performance in ATCO Power's Alberta generating plants, higher natural gas fuel purchases recovered on a "no-margin" basis in ATCO Power's U.K. operations, increased international operations in ATCO Frontec, ATCO Gas Interim Rates, the impact of higher franchise fees collected on behalf of cities and municipalities and colder temperatures in ATCO Gas, and higher prices for NGL extraction in ATCO Midstream. These increases were partially offset by lower storage revenues due to the timing and demand of natural gas storage capacity sold and lower storage fees in ATCO Midstream.

Revenues for the six months ended June 30, 2008, increased primarily due to increased international operations in ATCO Frontec, improved merchant performance in ATCO Power's Alberta generating plants, ATCO Gas Interim Rates, the impact of higher franchise fees collected on behalf of cities and municipalities and colder temperatures in ATCO Gas, and higher prices for NGL extraction in ATCO Midstream. These increases were partially offset by lower storage revenues due to the timing and demand of natural gas storage capacity sold and lower storage fees in ATCO Midstream.

Funds generated by operations for the three and six months ended June 30, 2008, decreased primarily due to an inclusion in 2007 of \$15.6 million related to the change in the taxation of preferred share dividends and decreased deferred availability incentives in Alberta Power (2000).

RECENT DEVELOPMENTS

- On July 21, 2008, the Board of Directors of Canadian Utilities Limited announced they have established a special committee of independent directors of the Board to review the potential acquisition of its wholly-owned subsidiary, ATCO Frontec Corp., by ATCO Ltd. The committee is expected to make a recommendation to the Board of Directors in the fourth quarter of this year.
- On May 20, 2008, a Letter of Intent was signed with the Treaty 8 First Nations of Alberta to explore business opportunities while developing long-term mutually beneficial working relationships. The Letter of Intent is the first of its kind ever signed by the Treaty 8 First Nations of Alberta.
- ATCO, including Canadian Utilities, and its people through their innovative ATCO Employees Participating in Communities (EPIC) fundraising program, announced on May 22, 2008 that they will donate a record \$2.31 million to 450 charity and community causes across Alberta in 2008, an increase of more than \$600,000 over 2007.

Canadian Utilities' consolidated financial statements, and management's discussion and analysis of financial condition and results of operations for the three and six months ended June 30, 2008, will be available on Canadian Utilities' website (www.canadian-utilities.com) or via SEDAR (www.sedar.com) or can be requested from the Corporation.

Canadian Utilities Limited is part of the ATCO Group of Companies (www.atco.com). Canadian Utilities Limited is a Canadian-based worldwide organization of companies with assets of approximately \$7.7 billion and more than 6,500 employees, actively engaged in three main business divisions: Power Generation; Utilities (natural gas and electricity transmission and distribution) and Global Enterprises (technology, logistics and energy services).

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "expect", "may", "will", "intend", "should", and similar expressions. These statements involve 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 statements. The Corporation believes that the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of regulatory decisions, competitive factors in the industries in which the Corporation operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Corporation.

The forward-looking statements contained in this news release represent the Corporations' expectations as of the date hereof, and are subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.
