

CANADIAN UTILITIES LIMITED

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

For Immediate Release

October 28, 2008

CANADIAN UTILITIES REPORTS THIRD QUARTER EARNINGS

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

Earnings of \$66.7 million (\$0.53 per share) for the three months ended September 30, 2008, compared to earnings of \$72.2 million (\$0.58 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 third 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 September 30, 2008, were \$71.3 million (\$0.57 per share) compared to adjusted earnings of \$70.6 million (\$0.56 per share) for the same three months in 2007.

Earnings for the nine months ended September 30, 2008, were \$298.9 million (\$2.38 per share) compared to earnings of \$288.0 million (\$2.30 per share) for the same nine months in 2007. Adjusted earnings for the nine months ended September 30, 2008, were \$291.3 million (\$2.32 per share) compared to adjusted earnings of \$268.3 million (\$2.14 per share) for the same nine months in 2007.

Financial Summary and Reconciliation of Adjusted Earnings	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2008	2007	2008	2007
(\$ Millions except per share data)			(unaudited)	
Reported Earnings	66.7	72.2	298.9	288.0
ATCO Power Mark-to-Market Adjustment	7.6	2.4	0.9	(0.1)
2007 Change in Preferred Share Taxes	-	-	-	(15.6)
2007 Changes in Income Taxes & Rates	-	(4.0)	-	(4.0)
Reallocation of Post Employment Benefits	-	-	(5.5)	-
Federal Court of Appeal Tax Decision	(3.0)	-	(3.0)	-
Adjusted Earnings ⁽¹⁾	71.3	70.6	291.3	268.3
Earnings Per Share	0.53	0.58	2.38	2.30
Adjusted Earnings Per Share ⁽¹⁾	0.57	0.56	2.32	2.14
Revenues	638.4	489.9	2,034.6	1,747.8
Funds Generated By Operations ⁽¹⁾⁽²⁾	191.0	150.4	580.1	545.9

⁽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 September 30, 2008, increased primarily due to increased business activity in ATCO Frontec's operations and a reduction in income tax expense relating to the treatment of major maintenance expenses in Alberta Power (2000). These increases were partially offset by lower spark spreads in ATCO Power's Alberta generating plants and the earnings impact of \$5.3 million due to the change in quarterly depreciation expense allocation in ATCO Gas.

Adjusted earnings for the nine months ended September 30, 2008, increased primarily due to increased business activity in ATCO Frontec's operations and higher margins for natural gas liquids extraction in ATCO Midstream. These increases were partially offset by lower storage fees in ATCO Midstream.

Revenues for the three months ended September 30, 2008, increased primarily due to the 2007 refund of future income tax balances with a corresponding decrease in revenues and the impact of higher 2008 Alberta Utilities Commission (AUC) approved customer rates resulting from the 2007 and 2008 ATCO Electric general tariff decision (ATCO Electric GTA), increased business activity in ATCO Frontec's operations, higher natural gas fuel purchases recovered on a "no-margin" basis and improved merchant operations in ATCO Power's U.K. operations and AUC approved interim customer rates in ATCO Gas associated with the 2008 and 2009 general rate application (ATCO Gas Interim Rates). These increases were partially offset by decreased merchant performance in ATCO Power's Alberta generating plants.

Revenues for the nine months ended September 30, 2008, increased primarily due to increased business activity in ATCO Frontec's operations, the 2007 refund of future income tax balances with a corresponding decrease in revenues and the impact of higher AUC approved customer rates resulting from the ATCO Electric GTA and ATCO Gas Interim Rates, and the impact of higher franchise fees collected on behalf of cities and municipalities in ATCO Gas. 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 months ended September 30, 2008, increased primarily due to increased cash flow after removal of non-cash items and increased deferred availability incentives in Alberta Power (2000).

Funds generated by operations for the nine months ended September 30, 2008, increased primarily due to increased cash flow after removal of non-cash items, partially offset by an inclusion in 2007 of \$15.6 million related to the change in the taxation of preferred share dividends.

RECENT DEVELOPMENTS

- On October 1, 2008, ATCO Frontec and the Fort McKay First Nation officially opened the Creeburn Lake Lodge. The 500-room Lodge, located 65 kilometres north of Fort McMurray, brings much-needed, high quality accommodation to the Alberta oilsands region.
- On September 30, 2008, Canadian Utilities announced the launch of ATCO Water, a company focused on designing, building and operating leading edge water and wastewater infrastructure and facilities for both industry and municipalities.
- During the third quarter, ATCO Power's construction of its new 45 megawatt clean natural gas fired power plant in Valleyview was completed ahead of schedule and under budget bolstering electricity supply in fast-growing northwestern Alberta.

- On September 9, 2008, ATCO Electric reported that they have reached an alliance agreement with UK-based Balfour Beatty and Australia-based United Group Limited to provide engineering, construction, procurement and project management services to supplement ATCO Electric's own expertise.
- On September 8, 2008, Canadian Utilities reported that indirectly wholly owned subsidiary, ATCO Pipelines, and TransCanada Corporation's wholly owned subsidiary, NOVA Gas Transmission Ltd., had reached a proposed agreement to provide seamless natural gas transmission service to customers. The gas transmission model will utilize a single suite of services to provide integrated gas transmission service which is expected to add value for customers as a result of efficient service throughout Alberta.
- On August 18, 2008, ATCO Frontec and the Fort McKay First Nation announced an agreement to construct and operate a 603-room complex that will provide accommodations to Albion Sands Energy. The complex will be added to the existing Barge Landing Lodge built for Suncor earlier this year. Operated under a services agreement with Albion Sands, this new facility will utilize a common dining room, games room, fitness centre, meeting rooms and television rooms. Barge Landing Lodge is located across from the recently opened Creeburn Lake Lodge on Fort McKay First Nation land.

Canadian Utilities' consolidated financial statements, and management's discussion and analysis of financial condition and results of operations for the three and nine months ended September 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).

For further information, please contact:

K.M. (Karen) Watson
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 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 Corporation's 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.
