

CANADIAN UTILITIES LIMITED

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For Immediate Release

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CANADIAN UTILITIES REPORTS RECORD FOURTH QUARTER AND 2008 EARNINGS OF \$413.1 MILLION

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

Record Earnings of \$413.1 million (\$3.29 per share) for the year ended December 31, 2008, compared to earnings of \$386.7 million (\$3.08 per share) for the year ended December 31, 2007, were reported today by Canadian Utilities Limited.

“I am pleased with our 2008 earnings, our very solid balance sheet and the completion of extensive capital programs in 2008,” said Nancy Southern, President and Chief Executive Officer, Canadian Utilities Limited. “We are fortunate to be in Alberta where significant utility infrastructure projects are immediately required. The key issue for these major projects will be ensuring a competitive rate of return that will allow access to the scarce capital needed to finance these projects.”

Canadian Utilities also reported an increase in “adjusted earnings” ⁽¹⁾ in 2008, which excludes certain items not in the normal course of business or a result of day-to-day operations. Adjusted earnings for the year ended December 31, 2008, were \$401.8 million (\$3.20 per share) compared to \$343.8 million (\$2.74 per share) for the year ended December 31, 2007. Details are provided in the table below.

Earnings for the three months ended December 31, 2008, were \$114.2 million (\$0.91 per share) compared to earnings of \$98.7 million (\$0.78 per share) for the same three months of 2007. Adjusted earnings for the three months ended December 31, 2008, were \$110.5 million (\$0.88 per share) compared to adjusted earnings of \$75.5 million (\$0.60 per share) for the same three months of 2007.

RECENT DEVELOPMENTS

- On November 24, 2008, ATCO Power announced the construction of a new energy efficient 86 megawatt natural gas-fired power station for Horizon Power. The power station will be built adjacent to Horizon’s Karratha Terminal in the Pilbara region of Western Australia. On February 2, 2009, ATCO Power announced that it had signed a \$100 million credit facility with Commonwealth Bank of Australia to finance the design and construction of the station.
- On November 18, 2008, ATCO I-Tek announced that for the third consecutive year, they have received the “Top Customer Satisfaction Award in North American Energy Industry” for its operation of the ATCO Gas and ATCO Electric Call Centres.
- On November 17, 2008, ATCO Midstream announced the purchase of IPL Holdings Inc. (IPLH), a wholly owned subsidiary of Enbridge Inc. IPLH holds a one-third interest in the Ikhil Joint Venture and one-third of the shares of Inuvik Gas Ltd.

- On November 13, 2008, the ATCO Group announced that two Canadian Utilities' companies will be honoured by the province of Alberta for their industry leading commitment to workplace safety. ATCO Power and ATCO Pipelines are recipients of the Best Safety Performance Award. They were also recognized by Alberta's Occupational Health and Safety Council for their "exceptional" safety records in 2007.

Financial Summary and Reconciliation of Adjusted Earnings	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2008	2007	2008	2007
(\$ Millions except per share data)				
Reported Earnings	114.2	98.7	413.1	386.7
ATCO Power Mark-to-Market Adjustment	1.1	(2.8)	2.0	(2.9)
Reallocation of Post Employment Benefits	(1.5)	-	(7.0)	-
Federal Court of Appeal Tax Decision	-	-	(3.0)	-
2008 Tax Assessment	(3.3)	-	(3.3)	-
2007 Change in Preferred Share Taxes	-	-	-	(15.6)
2007 Changes in Income Taxes & Rates	-	(10.9)	-	(14.9)
ATCO Gas Tax Reassessments	-	(9.5)	-	(9.5)
Adjusted Earnings ⁽¹⁾	110.5	75.5	401.8	343.8
Earnings Per Share	0.91	0.78	3.29	3.08
Adjusted Earnings Per Share ⁽¹⁾	0.88	0.60	3.20	2.74
Revenues	744.3	657.1	2,778.9	2,404.9
Funds Generated By Operations ⁽¹⁾⁽²⁾	224.5	180.0	804.6	725.9

⁽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 twelve months ended December 31, 2008, increased primarily due to improved merchant performance in ATCO Power's Alberta generating plants, increased availability and the recognition of insurance proceeds from the Barking outage in ATCO Power's United Kingdom (U.K.) operations. Alberta Utilities Commission (AUC) approved 2008 customer rates in ATCO Gas (ATCO Gas Decision) net of cost increases and suspension of the Carbon lease payments to customers (Carbon rate riders) in ATCO Gas and the impact of the higher 2008 AUC approved customer rates (ATCO Electric Decision) also contributed to the increase in Adjusted Earnings. These increases were partially offset by lower natural gas storage fees in ATCO Midstream.

Adjusted earnings for the three months ended December 31, 2008, increased primarily due to improved merchant performance in ATCO Power's Alberta generating plants, improved merchant performance and increased availability in ATCO Power's U.K. operations, and increased earnings of \$3.5 million due to the change in quarterly depreciation expense allocation in ATCO Gas. These increases were partially offset by reduced activity in natural gas liquids (NGL) extraction operations in ATCO Midstream.

Revenues for the twelve months ended December 31, 2008, increased primarily due to increased business activity in ATCO Frontec's operations and higher natural gas fuel purchases recovered on a "no-margin" basis, improved merchant operations, increased availability and the recognition of insurance proceeds from the Barking outage in ATCO Power's U.K. operations. In addition, the 2007 refund of future income tax balances with a corresponding decrease in 2007 revenues, and the impact of the ATCO Electric Decision contributed to the increase in revenues. Other contributing factors were the ATCO Gas Decision and improved merchant performance in ATCO Power's Alberta generating plants. These increases were partially offset by the impact of lower exchange rates on conversion of revenues to Canadian dollars in ATCO Power's U.K. operations, and 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 three months ended December 31, 2008, increased primarily due to higher natural gas fuel purchases recovered on a “no-margin” basis, improved merchant operations and increased availability in ATCO Power’s U.K. operations and improved merchant performance in ATCO Power’s Alberta generating plants. In addition, increased business activity in ATCO Frontec’s operations and the ATCO Gas Decision contributed to the increase in revenues. These increases were partially offset by lower prices for NGL extraction in ATCO Midstream.

Funds generated by operations for the three and twelve months ended December 31, 2008, increased primarily due to higher cash earnings and increased deferred availability incentives in Alberta Power (2000).

Canadian Utilities’ consolidated financial statements and management’s discussion and analysis of financial condition and results of operations for the three and twelve months ended December 31, 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 \$7.9 billion and more than 6,800 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 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.
