



An **ATCO** Company

News Release

CU Inc.

Corporate Head Office: 1600, 909 - 11 Avenue S.W., Calgary, Alberta T2R 1N6 Tel: (403) 292-7550

For Immediate Release

November 16, 2010

CU INC. ANNOUNCES PREFERRED SHARE ISSUE

Calgary, Alberta – CU Inc. today announced it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets and RBC Capital Markets, and including TD Securities Inc. The underwriters have agreed to buy 3,000,000 3.80% Cumulative Redeemable Preferred Shares Series 4 at a price of \$25.00 per share for aggregate gross proceeds of \$75,000,000. The Corporation intends to use the proceeds to purchase preferred shares to be issued by its wholly owned operating subsidiaries, ATCO Electric Ltd. and ATCO Gas and Pipelines Ltd. It is expected that these subsidiaries will use the proceeds to fund a portion of their 2010 capital expenditure programs, to repay existing indebtedness, and for other general corporate purposes.

The Series 4 Preferred Shares will be issued to the public at a price of \$25.00 per share and holders will be entitled to receive fixed cumulative preferential cash dividends, payable quarterly for an initial period of five years, as and when declared by the Board of Directors of the Corporation, at an annual rate of \$0.95 per share, to yield 3.80% annually. Thereafter, the dividend rate will reset every five years to the then current 5-Year Government of Canada bond yield plus 1.36%. On June 1, 2016, and on June 1 of every fifth year thereafter, the Corporation may redeem the Series 4 Preferred Shares in whole or in part at par.

Holder may elect to convert any or all of their Series 4 Preferred Shares into an equal number of Cumulative Redeemable Preferred Shares Series 5 on June 1, 2016, and on June 1 of every fifth year thereafter. Holders of the Series 5 Preferred Shares will be entitled to receive quarterly floating rate cumulative preferential cash dividends, as and when declared by the board of directors, equal to the then current 3-month Government of Canada Treasury Bill yield plus 1.36%. On June 1, 2021, and on June 1 of every fifth year thereafter, the Corporation may redeem the Series 5 Preferred Shares in whole or in part at par. The Corporation may redeem the Series 5 Preferred Shares in whole or in part by the payment of \$25.50 for each share to be redeemed in the case of redemption on any other date.

The offering is being made only in the provinces of Canada by means of a prospectus and the closing date of the issue is expected to be on or about December 2, 2010.

This news release does not constitute an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the offering has been qualified for distribution.

CU Inc. is a wholly owned subsidiary of Canadian Utilities Limited, part of the ATCO Group of Companies. An Alberta-based corporation with assets of approximately \$7 billion and more than 4,100 employees, CU Inc. is comprised of rate regulated utility operations in pipelines, natural gas and electricity transmission and distribution. More information about CU Inc. can be found on the Canadian Utilities Limited website at www.canadian-utilities.com.

For further information, please contact:

B.R. (Brian) Bale
Senior Vice President & Chief Financial Officer
CU Inc.
(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.
