

February 22, 2006

CANADIAN UTILITIES REPORTS 2005 EARNINGS

CALGARY, Alberta – **Canadian Utilities Limited reported earnings of \$265.6 million (\$2.09 per share) for the year ended December 31, 2005.** This results in an increase of \$11.7 million over 2004 earnings of \$253.9 million (\$2.00 per share) excluding the \$55.1 million gain from the retail sale by ATCO Gas and ATCO Electric of their energy supply businesses to Direct Energy in 2004. Earnings for the three months ended December 31, 2005 were \$89.1 million (\$0.70 per share) compared to earnings for the same three months of 2004 of \$90.3 million (\$0.71 per share).

Financial Summary

	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2005	2004	2005	2004
	(\$ Millions except per share data)			
	<i>(unaudited)</i>			
Earnings	89.1	90.3	265.6	309.0
Earnings excluding the retail sale gain	89.1	90.3	265.6	253.9
Earnings per Class A and B share ¹	0.70	0.71	2.09	2.44
Earnings per Class A and B share excluding retail sale gain ¹	0.70	0.71	2.09	2.00
Revenues	680.3	637.0	2,515.8	3,011.4
Cash flow from operations	187.8	164.4	659.3	538.3

¹ Per share numbers have been retroactively restated to reflect two-for-one share split

Earnings for the twelve months ended December 31, 2005 increased over 2004, excluding the retail sale gain, primarily due to:

- higher storage earnings due to increased storage capacity in ATCO Midstream; and
- the impact of the previously announced TXU Europe Settlement in ATCO Power.

This increase was partially offset by:

- increased share appreciation rights expense due to higher share prices;
- lower volumes, and higher shrinkage and power costs for natural gas liquids extraction in ATCO Midstream; and
- higher costs not recovered in ATCO Gas in 2005. In May 2005, ATCO Gas submitted a General Rate Application with the Alberta Energy & Utilities Board (AEUB) for the 2005, 2006 and 2007 test years. In August 2005, the AEUB approved interim refundable rates which recognized only 28% of the increased operating costs and rate base additions requested in the original application. On January 27, 2006, ATCO Gas received an AEUB decision which did not materially change the earnings based on the 2005 interim rates (the ATCO Gas Decision). The final impact of the decision will not be known until two subsequent regulatory processes are finalized. The negative impact of the ATCO Gas Decision was compounded by 7.8% warmer than normal weather.

Earnings for the three months ended December 31, 2005, decreased primarily due to:

- lower volumes, and higher shrinkage and power costs for natural gas liquids extraction in ATCO Midstream; and
- the impact of the ATCO Gas Decision.

This decrease was partially offset by:

- higher earnings in the ATCO Power's Alberta generating plants due to the higher spark spreads realized on sales in the Alberta market; and
- higher storage earnings due to increased storage capacity in ATCO Midstream.

Revenues for the twelve months ended December 31, 2005 decreased primarily due to Direct Energy assuming responsibility for selling natural gas and electricity to customers since the completion of the retail sale in the second quarter of 2004.

Revenues for the three months ended December 31, 2005 increased primarily due to:

- higher revenues in ATCO Power's Alberta generating plants due to higher Alberta Power Pool prices; and
- 2004 impact of 2004 General Rate Application adjustments for ATCO Gas related to the refund of deferred income taxes.

This increase was partially offset by lower availability in ATCO Power's Barking generating plant due to a planned maintenance outage in September through November 2005.

Cash flow from operations for the twelve months ended December 31, 2005 increased primarily due to higher earnings and the impact of the TXU Europe Settlement in ATCO Power.

Cash flow from operations for the three months ended December 31, 2005 increased primarily due to increased cash flow after removal of non-cash items.

On January 19, 2006, the Board of Directors of Canadian Utilities Limited declared a first quarter dividend of 28.5 cents per Class A non-voting and Class B common share, a 3.6% increase over the 27.5 cents paid in the previous quarter.

Canadian Utilities Limited's 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, 2005, are now available on Canadian Utilities' website (www.canadian-utilities.com) or via SEDAR (www.sedar.com) or can be requested from the company.

The consolidated financial statements and management's discussion and analysis of financial condition and results of operations will be mailed to those share owners who have requested such information on or about March 30, 2006.

Canadian Utilities Limited is a part of the ATCO Group of companies. ATCO Group is an Alberta based, worldwide organization of companies with more than 7,000 employees actively engaged in Power Generation, Utilities and Global Enterprises. More information about Canadian Utilities can be found on its website, www.canadian-utilities.com.

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