



**CANADIAN
UTILITIES
LIMITED**

An **ATCO** Company

Release

CORPORATE OFFICE

1500, 909 - 11 AVENUE SW, CALGARY, ALBERTA T2R 1N6

TELEPHONE (403) 292-7500

For Immediate Release

May 4, 2006

Canadian Utilities Limited Announces Increase to Quarterly Dividend and Special Dividend of 25 cents Per Share

CALGARY, Alberta – Canadian Utilities Limited announced that its Board of Directors has approved an increase to its regular third quarter dividend to 29.0 cents per share. The board also approved a Special Dividend of 25.0 cents per share. Both the regular third quarter dividend of 29.0 cents per share and the Special Dividend of 25.0 cents per share will be paid on September 01, 2006, to shareholders of record on August 09, 2006.

The Corporation is paying the Special Dividend to the owners of Class A and Class B shares to allow share owners to participate in the proceeds of previous asset sales. Nancy C. Southern, President and Chief Executive Officer said “After careful consideration of Canadian Utilities’ current capitalization and cash situation, the Corporation felt that the payment of the Special Dividend allows the share owners to benefit from the proceeds of previous dispositions of non-core assets while at the same time retaining sufficient cash balances to fund current and future growth opportunities.” Canadian Utilities’ longstanding strategic goal of monetizing under-performing assets resulted in the 2002 sale of the ATCO Gas Viking-Kinsella natural gas producing properties and the 2004 sale by ATCO Gas and ATCO Electric of their retail energy supply businesses. Based on approximately 126.9 million shares currently outstanding, the Special Dividend will total approximately \$31.7 million.

The regular third quarter dividend of 29.0 cents per Class A non-voting and Class B common share is a 1.8% increase over the 28.5 cents paid in the previous two quarters and a 5.5% increase over the 27.5 cents paid in each of the four quarters in 2005. This is the second increase in the 2006 quarterly dividend announced in 2006 and Canadian Utilities Limited has increased its annual common share dividend each year since its inception as a holding company in 1972.

Canadian Utilities Limited is 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 Limited can be found on its website, www.canadian-utilities.com.

Contact: K.M. (Karen) Watson
Senior Vice President
& Chief Financial Officer
Canadian Utilities Limited
(403) 292-7502