

CANADIAN UTILITIES LIMITED

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For Immediate Release
April 25, 2007

Canadian Utilities Reports Increased First Quarter Earnings

CALGARY, Alberta – **Canadian Utilities Limited (TSX: CU, CU.X) reported increased earnings of \$134.7 million (\$1.07 per share) for the three months ended March 31, 2007**, compared to earnings for the same three months in 2006 of \$86.9 million (\$0.68 per share).

Earnings for the three months ended March 31, 2007, increased primarily due to:

- the timing and demand of natural gas storage capacity sold and higher storage fees in ATCO Midstream. The majority of the storage earnings recognized in the first quarter of 2007 pertained to contracts entered into in the 2006/07 storage year which ended March 31, 2007;
- lower income tax rates; and
- higher earnings in ATCO Power's Alberta generating plants due to higher spark spreads realized on sales of electricity in the Alberta market.

Revenues for the three months ended March 31, 2007, increased by \$55.6 million to \$697.6 million, primarily due to:

- the timing and demand of storage capacity sold and higher storage fees in ATCO Midstream; and
- impact of 2007 interim customer rate increases for ATCO Electric approved by the Alberta Energy and Utilities Board ("AEUB") in December 2006. In November 2006, ATCO Electric filed a general tariff application with the AEUB for the 2007 and 2008 test years. On December 19, 2006, the AEUB approved interim refundable rate increases amounting to 50% of ATCO Electric's requested increases for transmission and distribution operations.

Funds generated by operations for the three months ended March 31, 2007, increased by \$26.5 million to \$232.2 million, primarily due to increased earnings.

Recent Highlights include:

- ATCO Pipelines was recognized as a Gold Champion Level Reporter by the Canadian Challenge Registry for the comprehensive reporting quality of the company's '2006 Action Plan for Reducing Greenhouse Gas Emissions'. This ranking represents the highest level of achievement for a voluntary reporting of greenhouse gas emissions in the country.
- ATCO Employees Participating in Communities raised a record \$1.48 million for charities across Alberta in 2006. More than 450 communities and charities received support in 2006.
- On April 18, 2007, CU Inc., a wholly owned subsidiary of Canadian Utilities Limited issued 4,600,000 4.60% Cumulative Redeemable Preferred Share Series 1 at a price of \$25.00 per share, for aggregate gross proceeds of \$115 million. On April 13, 2007, Canadian Utilities Limited announced that it will redeem on May 18, 2007, all of its outstanding Cumulative Redeemable Second Preferred Shares Series Q, R and S at a price of \$25.00 per share plus accrued and unpaid dividends per share. \$92 million of the CU Inc. issue will be used to redeem the Canadian Utilities Limited Preferred Shares.

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Canadian Utilities Limited's consolidated financial statements, management's discussion and analysis of financial condition and results of operations for the three months ended March 31, 2007, 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 \$7.1 billion and more than 6,000 employees, actively engaged in three main business divisions: Power Generation; Utilities (natural gas and electricity transmission and distribution) and Global Enterprises, with companies active in technology, logistics and energy services.

For further information, please contact:

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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. Due to the nature of the Corporation's operations, quarterly revenues and earnings are not necessarily indicative of annual results.

The forward-looking statements contained in this news release represent the Corporations' 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.
