

CANADIAN UTILITIES LIMITED

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For Immediate Release

February 21, 2007

Canadian Utilities Reports Record Earnings in 2006

CALGARY, Alberta – Canadian Utilities Limited (TSX: CU, CU.X) reported increased earnings of \$323.9 million (\$2.57 per share) for the year ended December 31, 2006 compared to 2005 earnings of \$265.6 million (\$2.09 per share). Earnings for the three months ended December 31, 2006 were \$100.0 million (\$0.80 per share) compared to earnings for the same three months in 2005 of \$89.1 million (\$0.70 per share).

Financial Summary

	For the Three Months Ended December 31		For the Twelve Months Ended December 31	
	2006	2005	2006	2005
	(\$ Millions except per share data)			
	(unaudited)			
Earnings	100.0	89.1	323.9	265.6
Earnings per Class A and B share	0.80	0.70	2.57	2.09
Revenues	671.1	680.3	2,430.4	2,515.8
Funds generated by operations ⁽¹⁾	168.4	187.8	657.5	659.3

⁽¹⁾ This measure is cash generated from operations before changes in non-cash working capital and is not defined by Generally Accepted Accounting Principles. This measure may not be comparable to similar measures used by other companies.

Earnings for the twelve months ended December 31, 2006, increased primarily due to:

- higher earnings in ATCO Power's Alberta generating plants due to higher spark spreads realized on sales of electricity in the Alberta market;
- higher margins received for natural gas liquids, higher storage earnings due to higher capacity leased, and the timing and demand of storage capacity sold by ATCO Midstream; and
- \$11.8 million adjustment in the second quarter of 2006 to reflect changes to federal and provincial taxes and rates.

This increase was partially offset by:

- an interest and income tax expense adjustment in Alberta Power (2000) due to a Canada Revenue Agency reassessment received in the third quarter of 2006 relating to the disposition of the H.R. Milner generating plant in 2001. Due to the uncertainty as to whether the reassessment will ultimately be resolved in the Corporation's favour, the Corporation reduced earnings by \$12.4 million in 2006.

Earnings for the three months ended December 31, 2006, increased primarily due to:

- higher earnings in ATCO Power's Alberta generating plants due to higher spark spreads realized on sales of electricity in the Alberta market; and
- colder temperatures in ATCO Gas.

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This increase was partially offset by:

- higher maintenance expenses due to a planned outage in 2006 at Alberta Power (2000)'s Battle River generating plant.

Revenues for the twelve months ended December 31, 2006, decreased primarily due to:

- reduced recoveries of natural gas costs in revenues in 2006 as ATCO Gas ceased selling natural gas from its natural gas storage facilities on March 31, 2005, in accordance with Alberta Energy and Utility Board directives.

This decrease was partially offset by:

- improved merchant power prices, higher natural gas fuel purchases recovered on a 'no-margin' basis, and higher availability (due to a planned outage in 2005) in ATCO Power's U.K. operations; and
- higher storage revenues due to higher capacity leased, and the timing and demand of storage capacity sold by ATCO Midstream.

Revenues for the three months ended December 31, 2006, decreased primarily due to:

- lower recovery of natural gas costs in revenues due to customers supplying shrinkage gas in ethane extraction operations in ATCO Midstream; and
- lower volumes of natural gas purchased and resold for natural gas liquids extraction in ATCO Midstream.

This decrease was partially offset by:

- higher availability (due to a planned outage in 2005), improved merchant power prices, and higher natural gas fuel purchases recovered on a 'no-margin' basis in ATCO Power's U.K. operations; and
- colder temperatures in ATCO Gas.

Funds generated by operations for the twelve months ended December 31, 2006, decreased primarily due to:

- lower proceeds received from the TXU Europe Settlement in ATCO Power; and
- decreased availability incentives in Alberta Power (2000), primarily due to availability penalties paid associated with the planned maintenance outage in 2006 for the Battle River generating plant which occurred during a period of high Alberta Power Pool electricity prices.

This decrease was partially offset by:

- increased earnings.

Funds generated by operations for the three months ended December 31, 2006, decreased primarily due to:

- decreased availability incentives in Alberta Power (2000).

This decrease was partially offset by:

- increased earnings.

Other Recent Highlights include:

- The Corporation announced that its Board of Directors completed its review of the strategic alternatives available for its gas gathering & processing and natural gas liquids midstream business and decided to retain the business under the Corporation's current structure.
- ATCO I-Tek received "Top Customer Satisfaction Award in North America Energy Industry" for its operation of the ATCO Gas and ATCO Electric Call Centre.
- ATCO Travel was awarded the 2006 Association of Canadian Travel Agencies Atlas Award for Travel Agency of the Year in Alberta and the Northwest Territories.

Canadian Utilities Limited's consolidated financial statements, management's discussion and analysis of financial condition and results of operations for the three and twelve months ended December 31, 2006, and its 2006 annual information form, will be available on Canadian Utilities' website (www.canadian-utilities.com) or via SEDAR (www.sedar.com) or can be requested from the Corporation.

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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 \$7.0 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.

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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.

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.
