



An **ATCO** Company

News Release

CU Inc.

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For Immediate Release:

April 3, 2007

CU Inc. Announces Preferred Share Issue

CALGARY, Alberta – CU Inc. announced today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, and including RBC Capital Markets and TD Securities Inc., whereby the underwriters have agreed to buy 4,600,000 4.60% Cumulative Redeemable Preferred Shares Series 1 at a price of \$25.00 per share, for aggregate gross proceeds of \$115,000,000.

The offering is being made only in the provinces of Canada by means of a prospectus and the expected closing date of the issue is April 18, 2007. The net proceeds of the issue will be used to finance capital expenditures, to repay existing indebtedness, and for other general corporate purposes of ATCO Electric Ltd. and ATCO Gas and Pipelines Ltd., two wholly owned subsidiaries of CU Inc.

This news release does not constitute an offer to sell securities, nor is it a solicitation to buy the securities, in any jurisdiction. All sales will be made through registered securities dealers in jurisdictions where the offering has been qualified for distribution. The securities have not been, and will not be, registered under the United States Securities Act of 1933, and may not be offered or sold in the United States absent registration or an applicable exemption under such Act.

CU Inc. is a wholly owned subsidiary of Canadian Utilities Limited, part of the ATCO Group of companies. CU Inc. is an Alberta based corporation with assets of approximately \$4.5 billion and more than 3,400 employees and is comprised of two main business segments: Utilities (natural gas and electricity transmission and distribution) and Power Generation. More information about CU Inc. can be found on the Canadian Utilities Limited website at www.canadian-utilities.com.

For further information, please contact:

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Senior Vice President & Chief Financial Officer
CU Inc.
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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.
