

October 31, 2019

CANADIAN UTILITIES REPORTS THIRD QUARTER 2019 EARNINGS

CALGARY, Alberta - Canadian Utilities Limited (TSX: CU, CU.X)

Canadian Utilities today announced third quarter 2019 adjusted earnings of \$106 million, or \$0.39 per share, compared to \$132 million, or \$0.49 per share, in the third quarter of 2018.

Lower earnings in the third quarter of 2019 were mainly due to favorable earnings realized in the third quarter of 2018 associated with the Balancing Pool's termination of the Battle River unit 5 PPA and associated availability incentive and performance payments. The Pipelines & Liquids business adjusted earnings in the third quarter of 2019 were \$2 million higher than the same period in 2018, mainly due to ongoing growth in the regulated rate base and lower income taxes.

In the third quarter of 2019, Canadian Utilities invested \$297 million in capital projects, of which \$268 million, or 90 per cent, was invested in regulated utilities. The remaining \$29 million invested includes planned capital maintenance in the electricity generation fleet.

In the period 2019 to 2021, Canadian Utilities plans to invest \$3.5 billion in regulated utilities in Canada and Australia, which will continue to strengthen our high-quality earnings base.

RECENT DEVELOPMENTS

Canadian Electricity Generation Business Sale

- In the third quarter of 2019, Canadian Utilities finalized the sale of its entire 2,100-MW Canadian fossil fuel-based electricity generation portfolio in a series of transactions. Canadian Utilities received \$821 million of aggregate proceeds on the sale and recognized a gain on sale of \$139 million (after-tax), which is excluded from adjusted earnings.

Alberta Powerline (APL)

- On September 23, 2019, Canadian Utilities confirmed that seven Indigenous communities entered into definitive agreements to purchase a combined 40 per cent ownership in APL. The remaining 60 per cent of APL will be owned by an investment consortium. Canadian Utilities will remain as the operator of APL over its 35-year contract with the Alberta Electric System Operator. The sale is expected to close in the fourth quarter of 2019, subject to receipt of regulatory and bondholder approvals, and satisfaction of other customary closing conditions.

Corporate

- On July 17, 2019, Dominion Bond Rating Service (DBRS) affirmed its 'A (high)' long-term corporate credit rating and stable outlook on Canadian Utilities' subsidiary CU Inc. On August 9, 2019, DBRS affirmed its 'A' long-term corporate credit rating and stable outlook on Canadian Utilities Limited.
- On October 3, 2019, S&P Global Ratings affirmed its 'A-' long-term issuer credit rating and stable outlook on Canadian Utilities Limited and its subsidiary CU Inc.
- On October 10, 2019, Canadian Utilities declared a fourth quarter dividend for 2019 of 42.27 cents per Class A non-voting and Class B common share.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary and reconciliation of adjusted earnings to earnings attributable to equity owners of the Company is provided below:

(\$ millions except share data)	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Adjusted earnings ⁽¹⁾	106	132	432	420
Gain on sale of operations ⁽²⁾	146	—	139	—
Transaction costs ⁽²⁾	(1)	—	(2)	—
Proceeds from termination of PPA ⁽²⁾	—	36	—	36
Restructuring and other costs ⁽²⁾	—	—	—	(60)
Unrealized gains on mark-to-market forward and swap commodity contracts ⁽²⁾	—	35	1	29
Rate-regulated activities ^{(2) (3)}	20	(19)	197	(96)
IT Common Matters decision ⁽²⁾	(3)	—	(17)	—
Dividends on equity preferred shares	17	17	50	50
Other ^{(2) (4)}	(1)	1	—	(1)
Earnings attributable to equity owners of the Company	284	202	800	378
Weighted average shares outstanding (millions of shares)	272.6	271.7	272.6	271.2

(1) Adjusted earnings are defined as earnings attributable to equity owners of the Company after adjusting for the timing of revenues and expenses associated with rate-regulated activities, dividends on equity preferred shares of the Company, and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of Canadian Utilities' earnings with other Canadian rate-regulated companies.

(2) Refer to Note 4 of the Unaudited Interim Consolidated Financial Statements for the nine months ended September 30, 2019 for detailed descriptions of this adjustment and others.

(3) In the second quarter of 2019, the Government of Alberta enacted a phased decrease in the provincial corporate income tax rate from 12 per cent to 8 per cent. This decrease is being phased in increments from July 1, 2019 to January 1, 2022. As a result of this change, the Alberta Utilities decreased deferred income taxes and increased earnings in the second quarter of 2019 by \$203 million.

(4) Each quarter, the Company adjusts the deferred tax asset which was recognized as a result of the Tula Pipeline Project impairment. The adjustment is due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.

TELECONFERENCE AND WEBCAST

Canadian Utilities will hold a live teleconference and webcast to discuss our third quarter 2019 financial results. Dennis DeChamplain, Executive Vice President & Chief Financial Officer, will discuss third quarter 2019 financial results and recent developments at 8:00 am Mountain Time (10:00 am Eastern Time) on Thursday, October 31, 2019 at 1-800-319-4610. No pass code is required. Opening remarks will be followed by a question and answer period with investment analysts. Participants are asked to please dial-in 10 minutes prior to the start and request to join the Canadian Utilities teleconference.

Management invites interested parties to listen via live webcast at:

<https://www.canadianutilities.com/en-ca/investors/events-presentations.html>

A replay of the teleconference will be available approximately two hours after the conclusion of the call until November 30, 2019. Please call 1-800-319-6413 and enter pass code 3711. An archive of the webcast will be available on October 31, 2019 and a transcript of the call will be posted on <https://www.canadianutilities.com/en-ca/investors/events-presentations.html> within a few business days.

This news release should be used as preparation for reading the full disclosure documents.

Canadian Utilities' unaudited interim consolidated financial statements and management's discussion and analysis for the nine months ended September 30, 2019 will be available on the Canadian Utilities website (www.canadianutilities.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 5,000 employees and assets of \$22 billion, Canadian Utilities Limited is an ATCO company. Canadian Utilities is a diversified global energy infrastructure corporation delivering service excellence and innovative business solutions in Electricity (electricity generation, transmission, and distribution); Pipelines & Liquids (natural gas transmission, distribution and infrastructure development, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at www.canadianutilities.com.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions.

Forward-looking information involves 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 information.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.