CANADIAN UTILITIES LIMITED
An ATCO Company

News Release

February 27, 2020

CANADIAN UTILITIES REPORTS HIGHER 2019 EARNINGS

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

Canadian Utilities announced adjusted earnings in 2019 of $608 million, or $2.23 per share, compared to $607 million, or $2.24 per share, in 2018.

Earnings in 2019 were positively impacted by ongoing growth in the regulated rate base and regulatory decisions, the continued implementation of cost efficiencies across the Company, and incremental earnings from two additional hydrocarbon storage caverns that became operational in the second quarter of 2018. Higher earnings were offset by forgone earnings following the sale of the Canadian fossil fuel-based electricity generation business in the third quarter of 2019, and lower earnings contributions from Alberta PowerLine due to the completion of construction activities in the first quarter of 2019.

Canadian Utilities had fourth quarter 2019 adjusted earnings of $176 million, or $0.65 per share, compared to $187 million, or $0.69 per share, in the fourth quarter of 2018. Lower earnings in the fourth quarter of 2019 were mainly due to forgone earnings following the sale of the Canadian fossil fuel-based electricity generation business in the third quarter of 2019, and lower earnings contributions from Alberta PowerLine due to the completion of construction activities in the first quarter of 2019. Partially offsetting these impacts were earnings contributions from ongoing growth in the regulated rate base and regulatory decisions, the continued implementation of cost efficiencies across the Company, and incremental earnings from two additional hydrocarbon storage caverns that became operational in the second quarter of 2018.

On January 9, 2020, Canadian Utilities declared a first quarter dividend for 2020 of 43.54 cents per Class A non-voting and Class B common share, a three per cent increase over the dividend paid in each of the four previous quarters. Canadian Utilities has increased its dividend per share for 48 consecutive years, the longest track record of annual dividend increases of any publicly traded Canadian company.

In 2019, Canadian Utilities invested $1,226 million in capital projects, of which $1,035 million or 84 per cent was invested in regulated utilities. The remaining $191 million or 16 per cent invested in 2019 included the completion of construction at Alberta PowerLine and planned capital maintenance in the electricity generation fleet.

In the period 2020 to 2022, Canadian Utilities plans to invest approximately $3.5 billion in regulated utilities and long-term contracted assets in Canada and Australia, which will continue to strengthen and grow our high-quality earnings base.

RECENT DEVELOPMENTS IN THE FOURTH QUARTER

Canadian Utilities is a diversified global enterprise with a focus on generating long-term share owner value by investing in regulated utilities and long-term contracted energy infrastructure. As we seek strategic opportunities to expand our global portfolio of utility and energy infrastructure investments, we continuously review our holdings to look for opportunities to monetize assets and increase our capacity for growth.

- Completed the sale of Canadian Utilities' interest in Alberta PowerLine (APL). APL was a partnership between Canadian Utilities (80 per cent) and Quanta Services, Inc. (20 per cent). Canadian Utilities sold half of its interest to seven Indigenous communities who will own a 40 per cent interest of APL. The remaining 60 per cent of APL will be owned by an investment consortium. Canadian Utilities received aggregate proceeds of $222 million for its interest in APL and will remain as the operator of APL over its 35-year contract with the Alberta Electric System Operator.
- Finalized the sale of the Canadian fossil fuel-based electricity generation portfolio. Canadian Utilities received $821 million of aggregate proceeds on the sale.
- Commenced construction on the Pembina-Keephills natural gas transmission pipeline. The 59-km high-pressure natural gas pipeline supports coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta with the capacity to deliver up to 550-TJ per day. The estimated cost to construct this project is approximately $230 million and is expected to be complete in mid-2020.
- Secured long-term contracts for a fifth salt cavern hydrocarbon storage facility at the ATCO Heartland Energy Centre. Construction began in the fourth quarter of 2019, with full operation targeted for late 2021.
- Entered into a partnership with a Chilean developer to build and operate an 18-MW solar project, located in southern Chile. The total investment in this project is expected to be approximately $24 million.

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:

	For the Three Months Ended December 31		For the Year Ended December 31	
($ millions except share data)	**2019**	2018	**2019**	2018
Adjusted earnings (1)	**176**	187	**608**	607
(Loss) gain on sale of operations (2)	**(12)**	—	**125**	—
Restructuring and other costs (2)	**—**	—	**—**	(60)
Proceeds from termination of PPA (2)	**—**	—	**—**	36
Sale of Barking Power assets (2)	**—**	87	—	87
Unrealized gains on mark-to-market forward and swap commodity contracts (2)	**4**	2	**5**	31
Rate-regulated activities (2) (3)	**(16)**	(37)	**181**	(133)
IT Common Matters decision (2)	**(6)**	—	**(23)**	—
Dividends on equity preferred shares	**17**	17	**67**	67
Other (4 (5)	**(12)**	—	**(12)**	(1)
Earnings attributable to equity owners of the Company	**151**	256	**951**	634
Weighted average shares outstanding (millions of shares)	**272.7**	272.2	**272.6**	271.5

(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 and 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) In the third and fourth quarters of 2019, Canadian Utilities closed a series of transactions on the sale of its Canadian fossil fuel-based electricity generation business and its ownership interest in Alberta PowerLine resulting in ATCO recording a gain on sale of operations. Refer to Note 4 of the Consolidated Financial Statements for the year ended December 31, 2019 for detailed descriptions of these adjustments 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.

(5) For the year ended December 31, 2019, the Company has recognized costs amounting to $12 million relating to a number of disputes arising from the Tula Pipeline project. The Company continues to work with the involved parties to achieve a resolution of these disputes. As these costs relate to a significant non-recurring event, they are excluded from adjusted earnings.

TELECONFERENCE AND WEBCAST

Canadian Utilities will hold a live teleconference and webcast to discuss our 2019 financial results. Dennis DeChamplain, Executive Vice President & Chief Financial Officer, will discuss year-end 2019 financial results and recent developments at 9:00 am Mountain Time (11:00 am Eastern Time) on Thursday, February 27, 2020 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 March 27, 2020. Please call 1-800-319-6413 and enter pass code 3944. An archive of the webcast will be available on February 27, 2020 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' consolidated financial statements and management's discussion and analysis for the year ended December 31, 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 4,600 employees and assets of $20 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 transmission, distribution, and generation); Pipelines & Liquids (natural gas transmission and distribution, energy storage, and industrial water solutions); and Retail Energy (electricity and natural gas retail sales). More information can be found at www.canadianutilities.com.

Investor Inquiries:

D.A. (Dennis) DeChamplain
Executive Vice President &
Chief Financial Officer
403-292-7502

Media Inquiries:

Spencer Forgo
Manager, Corporate Communications &
Public Affairs
403-333-3239

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.