



Unitil/FG&E Receives Final Regulatory Approval for Electric Power Restructuring

January 6, 2000

Hampton, NH; January 5, 2000 –Unitil/Fitchburg Gas and Electric Light Company (AMEX:UTL) announced the completion of its electric power supply restructuring efforts, with the approval by the Massachusetts Department of Telecommunications and Energy (MDTE) of the Company's agreement to sell the output from its remaining electric power generation portfolio to Select Energy, a subsidiary of Northeast Utilities. FG&E initiated its electric restructuring process, including the divestiture and sale of its power supply portfolio, in 1998 in response to the Massachusetts Electric Restructuring Law.

Under the Select Energy contract, which goes into effect February 1, 2000, FG&E will sell the output from its remaining power contracts and the output of two minority interests in generation assets to Select Energy. The portfolio being sold to Select Energy includes the output from:

- Four of FG&E's purchased power contracts (two from qualifying facilities – Harris/Linweave and Pinetree, one from a utility – Public Service of New Hampshire and the Hydro Quebec Firm Energy Contract).
- FG&E's output from a minority interest in the Wyman 4 generation station and the output from a minority interest in the Millstone 3 nuclear power plant.

Last March, FG&E sold its principal generation asset, a 4.5% interest in New Haven Harbor Station, to United Illuminating.

"We are pleased with the MDTE's approval of FG&E's power supply restructuring process, which allows us to intensify our focus on the company's electric distribution business and other strategic initiatives," said Unitil CEO Bob Schoenberger. "We intend to build on Unitil's reputation as one of the lowest cost distribution utilities in the nation and will work diligently to provide maximum benefits to our customers in the form of low rates and excellent service."

Unitil is a public utility holding company with a combination electric and gas utility distribution operation in north central Massachusetts and electric utility distribution operations in several cities and towns in the seacoast and capital city areas of New Hampshire. Unitil is also engaged in energy planning, procurement, marketing and consulting activities through both its utility and non-utility subsidiaries. Its subsidiaries are Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Resources, Inc., and Unitil Service Corp.

Contact

George Gantz
gantz@unitil.com

Corporate Office

Liberty Lane West
Hampton, NH 03842-1720
800/999-6501