



Earnings Conference Call Third Quarter 2016

Financial and Other Information – October 20, 2016

The background of the slide features a blue gradient. On the left side, there is a stylized graphic of a document with the words "CHECKED" and "APPROVED" written on it. In the center, the Unitil logo is visible, consisting of a circular icon with radiating lines and the word "Unitil" in a bold, sans-serif font. The main title "Safe Harbor Provision" is written in a large, white, sans-serif font across the middle of the slide.

Safe Harbor Provision

This presentation contains “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding Unitil Corporation’s (“Unitil”) financial condition, results of operations, capital expenditures, business strategy, regulatory strategy, market opportunities, and other plans and objectives. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue”, the negative of such terms, or other comparable terminology.

These forward-looking statements are neither promises nor guarantees, but involve risks and uncertainties that could cause the actual results to differ materially from those set forth in the forward-looking statements. Those risks and uncertainties include: Unitil’s regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters); fluctuations in the supply of, demand for, and the prices of energy commodities and transmission capacity and Unitil’s ability to recover energy commodity costs in its rates; customers’ preferred energy sources; severe storms and Unitil’s ability to recover storm costs in its rates; general economic conditions; variations in weather; long-term global climate change; Unitil’s ability to retain its existing customers and attract new customers; Unitil’s energy brokering customers’ performance and energy used under multi-year energy brokering contracts; increased competition; integrity and security of operational and information systems; publicity and reputational risks; and other risks detailed in Unitil’s filings with the Securities and Exchange Commission, including those appearing under the caption “Risk Factors” in Unitil’s Annual Report on Form 10-K for the year ended December 31, 2015.

Readers should not place undue reliance on any forward looking statements, which speak only as of the date they are made. Except as may be required by law, Unitil undertakes no obligation to update any forward-looking statements to reflect any change in Unitil’s expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.



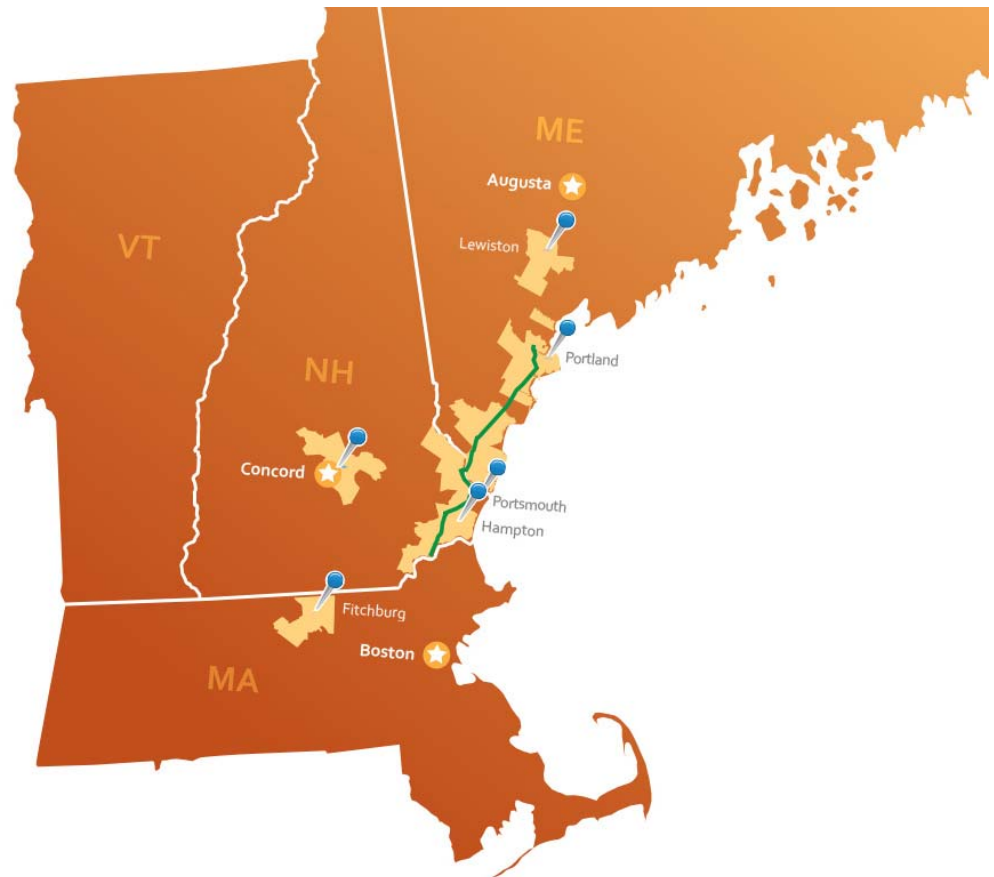
Our mission is to provide energy for life—safely, reliably, cost-effectively and responsibly—to a growing number of customers with a high-performing workforce



- Natural gas and electric utility operations in Maine, New Hampshire and Massachusetts

Saco, ME

- Serving approximately 182,000 gas and electric customers



Q3 2016 Financial Results

- Third quarter 2016 net income of \$3.5 million, or \$0.25 per share
 - Increase of \$1.8 million, or \$0.13 per share, compared to 2015
 - Increase driven by hotter summer weather, customer growth and cost control
- Year-to-date net income of \$16.9 million, or \$1.21 per share
 - Decrease of \$0.1 million, or \$0.01 per share, compared to 2015
 - Reflects significantly warmer winter weather in 2016 compared to 2015

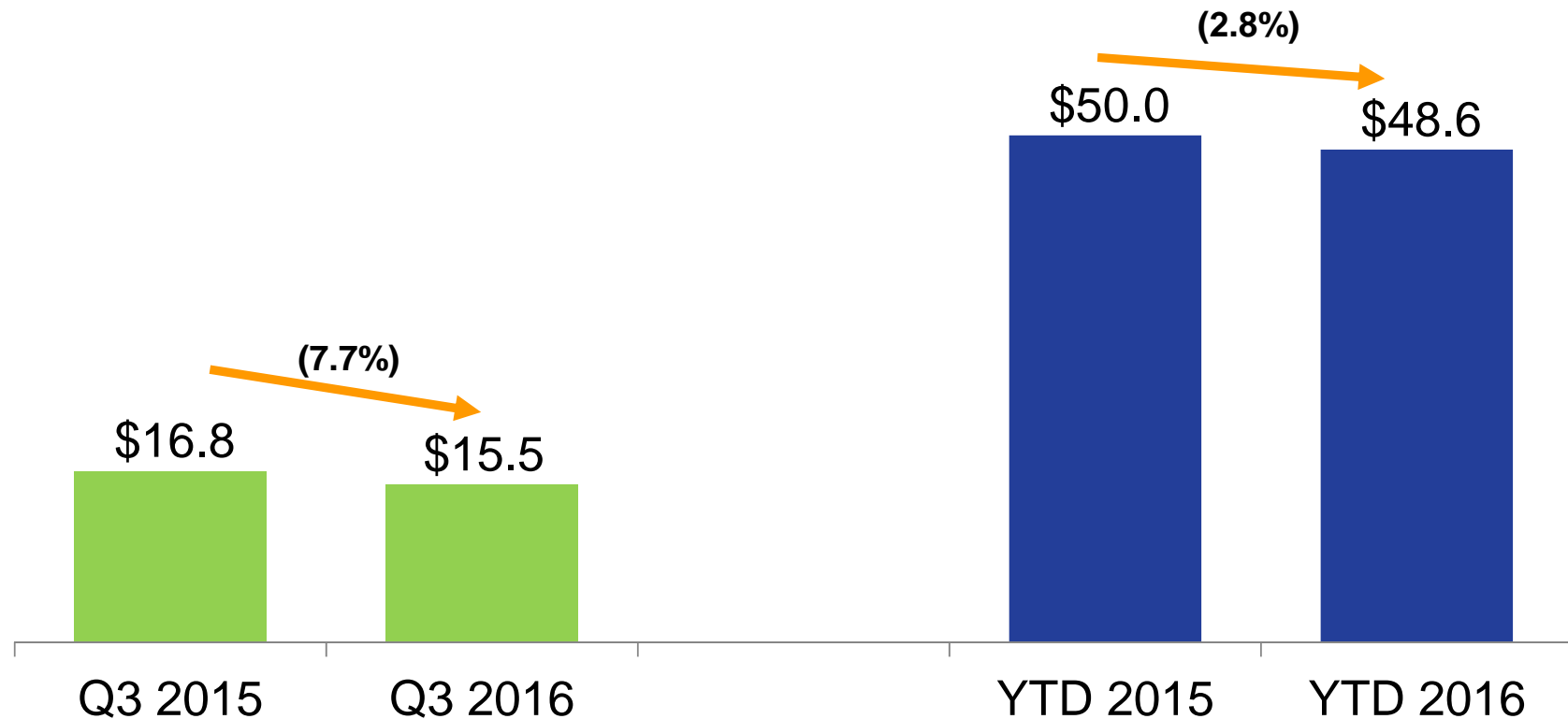
	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions excluding EPS)	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net Income	\$3.5	\$1.7	\$16.9	\$17.0
Weighted Average Common Shares Outstanding	14.0	13.9	14.0	13.9
Earnings Per Share	\$0.25	\$0.12	\$1.21	\$1.22

Effective Cost Management

- Achieved cost reductions throughout the Company to offset the effects of one of the warmest winters on record in New England

O&M Cost Control

(\$ in millions)



Gas Division Highlights

- Committed to investing in service areas and expanding customer base

Gas Rate Base: 2008-2016YTD

Doubled



Gas Customers: 2008-2016YTD

Up ~15%



Decades of Gas Investments

On-the-main opportunity

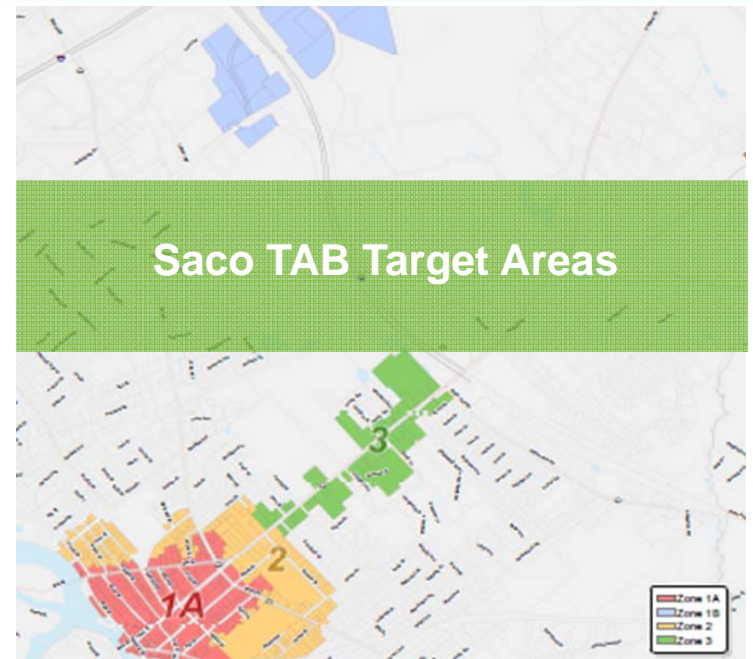
- ~50,000 potential customers (60% penetration rate)

System expansion projects

- Extending mains and services into adjacent areas
- 2011-2016YTD: added >20 miles of mains

Targeted Area Buildout (TAB)

- Saco, ME pilot
 - Potential new market of 1,000 customers and \$1 million in distribution revenue
- Evaluating new opportunities in other cities and towns



Gas Infrastructure Replacement

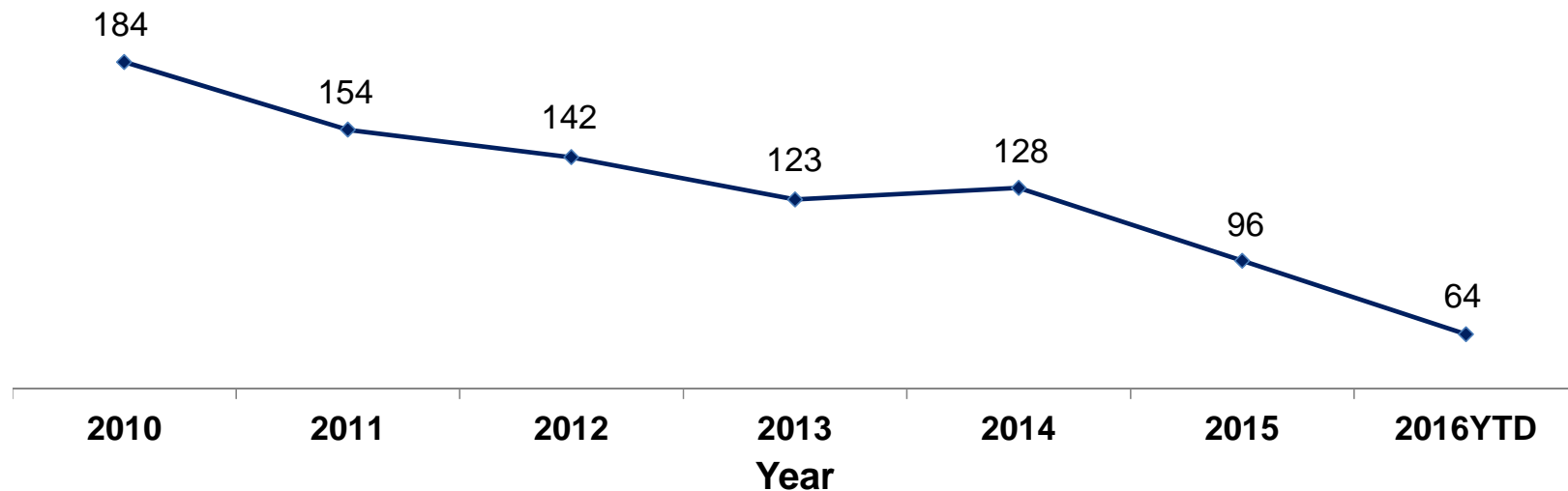
New Hampshire	Maine	Massachusetts
~6 miles annually in 2016 and 2017	~50 miles scheduled 2016 - 2024	~3 miles scheduled annually
Project completion expected end of 2017– entire system will be modern	Project completion expected end of 2024 – entire system will be modern	Project completion expected end of 2035 – entire system will be modern

Electric Division Highlights

- Electric reliability / capacity
 - Average electric system outage duration has fallen steadily since 2010
 - Vegetation management storm resiliency programs in place across electric operations
 - Substation projects – first substation in-service April 2016, second expected in 2017
- Service quality
 - Met or exceeded all customer service quality metrics

Electric Outages – System Average Interruption Duration Index (SAIDI)

(Minutes/Year)



Electric Growth Investment

Construction of two major electric substations in New Hampshire to provide capacity and enhance reliability

- First substation online April 2016
- Second substation expected to be online early 2017

Substation Projects



Applied for regulatory pre-approval for 1.3 MW solar facility in Massachusetts on our existing remediated former manufactured gas plant site

Solar



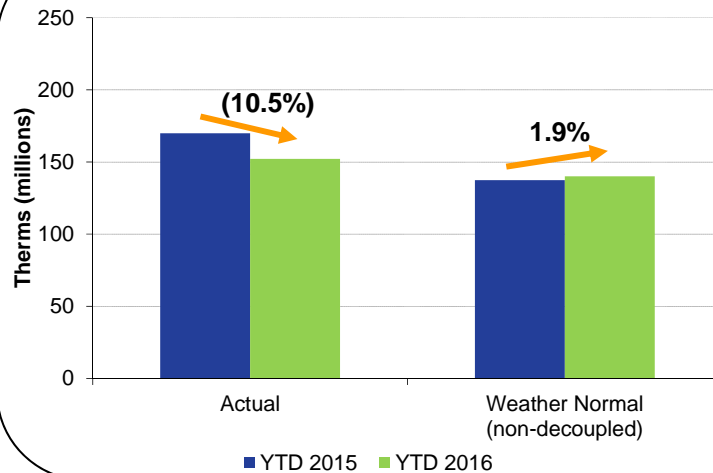
Regulatory initiatives in New Hampshire and Massachusetts supporting new investment in the distribution system

Grid Modernization



Gas Units Sales & Margin

Natural Gas Sales



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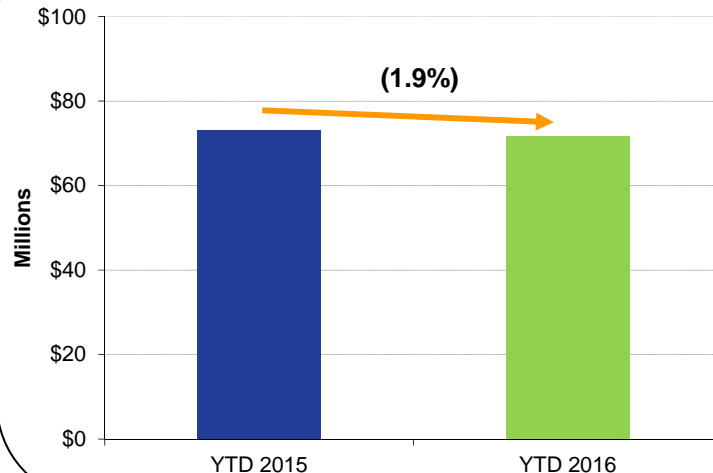


Key Performance Drivers

Unit Sales down 10.5%

- 19% fewer Heating Degree Days (HDD) than prior year and 9% fewer HDD than normal
- Growth in residential / C&I customers – 1,100 year-over-year
- Non-decoupled weather-normalized sales up 1.9% due to customer growth / Large C&I sales up 4.9%

Natural Gas Sales Margin



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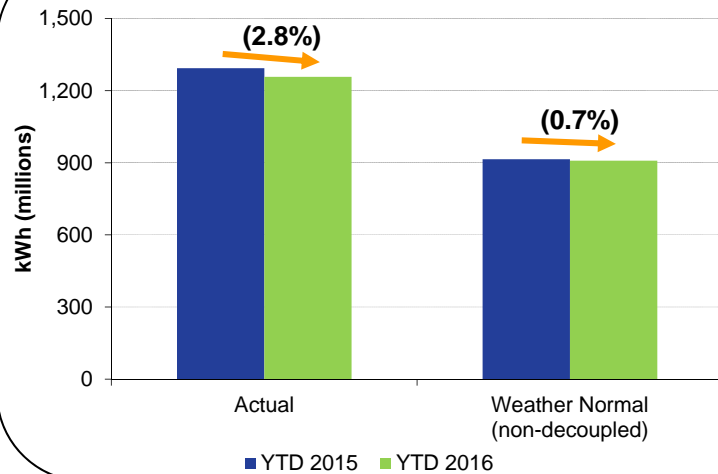
Key Performance Drivers

Sales Margin down \$1.4 million

- (\$5.0) million unfavorable impact from warmer weather
- \$1.3 million favorable impact from customer growth
- \$2.3 million favorable impact from higher base rates

Electric Units Sales & Margin

Electric Sales



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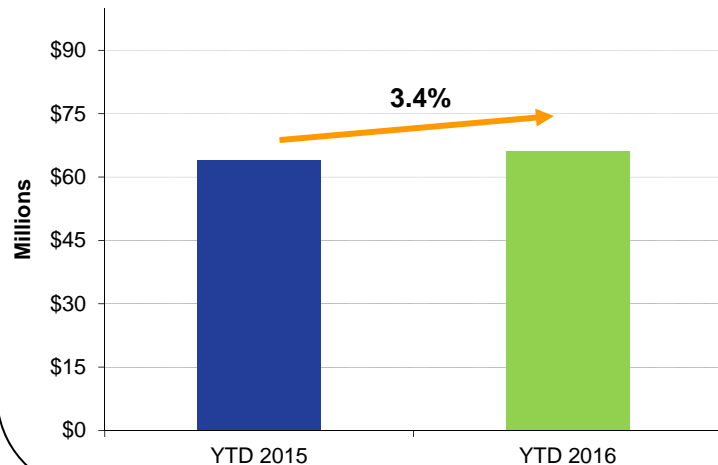


Key Performance Drivers

Unit Sales down 2.8%

- 19% fewer Heating Degree Days (HDD) than prior year and 9% fewer HDD than normal
- 16% more Cooling Degree Days (CDD) than prior year and 35% more CDD than normal
- Growth in residential / C&I customers – 800 year-over-year

Electric Sales Margin



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Key Performance Drivers

Sales Margin up \$2.2 million

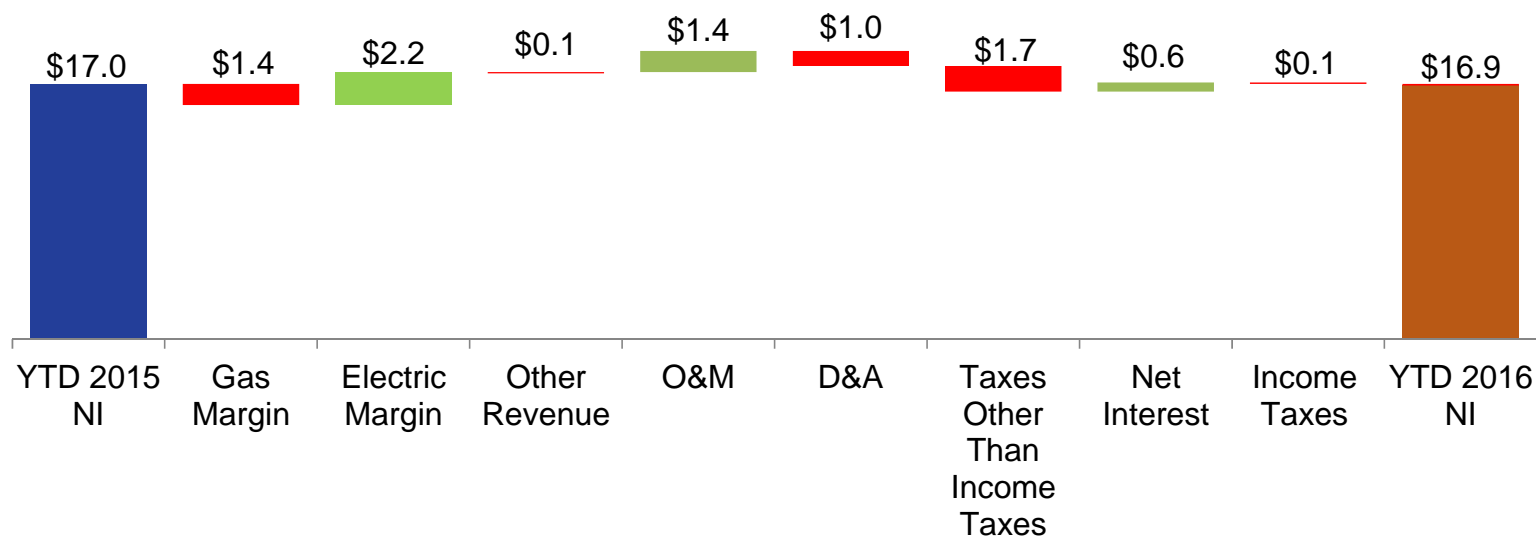
- (\$0.4) million unfavorable impact from warmer winter weather being offset by hotter summer weather
- \$2.6 million favorable impact from higher rates

YTD Variance: 2016 vs. 2015

- Gas margin down \$1.4 million, or 1.9%
- Electric margin up \$2.2 million, or 3.4%
- O&M decrease of \$1.4 million, or 2.8%
- D&A increase of \$1.0 million reflects higher utility plant in service
- Taxes other than income taxes increase of \$1.7 million primarily reflects higher local property tax expense
- Net interest decrease of \$0.6 million reflects lower levels of long-term debt
- Income taxes increase of \$0.1 million

Variance Analysis

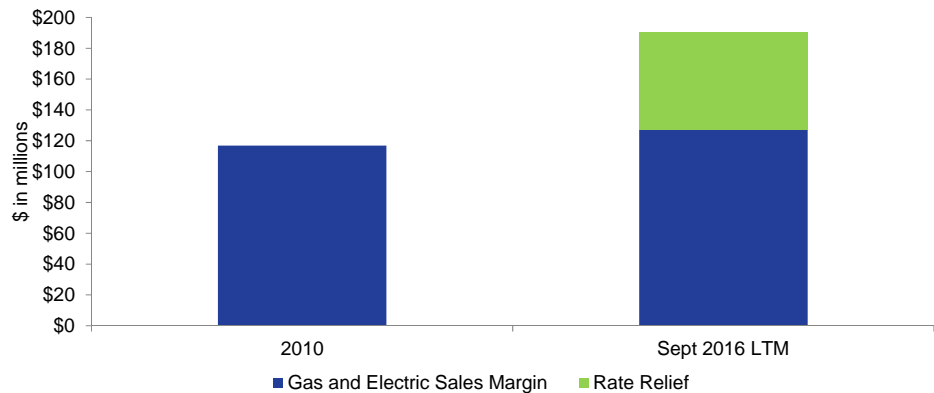
(\$ in millions)



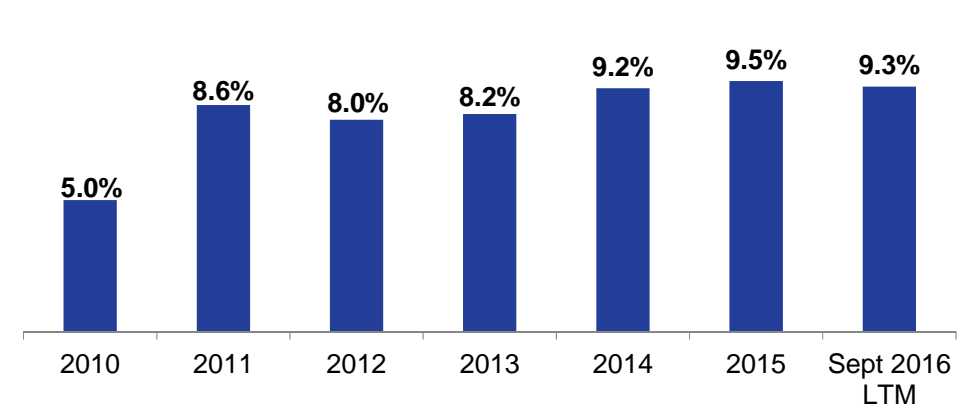
Uniti Rate Relief

- Sales margin growth achieved through successful regulatory results
- ~50% increase in margin through rate relief since 2010
- Sales and customer growth combined with constructive rate case results and cost trackers continue to drive increases in return on equity

Margin and Rate Relief



Return on Equity



Rate Case Updates

Massachusetts



Fitchburg Electric

- Rates effective May 1, 2016
- \$2.1 million revenue increase
- Capital tracker cost recovery mechanism approved for electric division

Fitchburg Gas

- Rates effective May 1, 2016
- \$1.6 million revenue increase
- Complementary pipe replacement cost tracker already in place for gas division

Capital structure reflects 52% equity ratio and an ROE of 9.8%

New Hampshire



Unitil Energy

- Base rate increase request of \$6.3 million
- \$2.4 million of temp rates approved effective July 1, 2016
- Capital structure reflects 51% equity ratio and a 10.3% requested ROE
- Multi-year rate plan requested for recovery of capital expenditures

2016 Return on Equity

Subsidiary Q3 2016 Return on Equity

(\$ in millions) Company	Average Common Equity	9/16 LTM ROE ⁽¹⁾
Northern Utilities (New Hampshire)	\$136.8	7.3%
Northern Utilities (Maine)		
Unitil Energy	\$77.9	9.9%
Fitchburg (Electric)	\$71.3	7.2%
Fitchburg (Gas)		
Granite State	\$13.1	10.2%
Unitil Corporation	\$282.2	9.3%

(1) ROE calculated by dividing last twelve months GAAP Net Income to Common by average Common Equity

Authorized ROE Range of 9.5%-9.8%

Rate Plans and Cost Trackers

Unitil Energy (New Hampshire Electric)

- Recently filed \$6.3 million base rate case and long-term rate plan; \$2.4 million temporary rates effective July 1, 2016.

Northern Utilities (Maine Gas)

- Capital tracker adjustment of ~\$1.5 million effective May 1, 2016
- Capital tracker adjustment of ~\$1 million estimated May 1, 2017

Fitchburg (Massachusetts Electric)

- \$2.1 million base rate increase effective May 1, 2016
- Long-term capital tracker to provide estimated rate adjustments of ~\$0.3 million effective January 1 annually

Fitchburg (Massachusetts Gas)

- \$1.6 million base rate increase effective May 1, 2016
- Long-term pipe replacement capital tracker provides estimated rate adjustments of ~\$0.5 million effective May 1 annually

Granite State (FERC Pipeline)

- Capital tracker adjustment of ~\$0.3 million effective August 1, 2016
- Capital tracker adjustment of ~\$0.3-\$0.4 million estimated August 1, 2017

Key Investment Highlights



- Regulated local distribution utility business model
- Diversified natural gas and electric sales
- Growing operations and customer base
 - Regulated rate base growth
 - Robust natural gas system expansion
 - Constructive rate plans and cost trackers
- Dividend strength
- Experienced management team