



American Gas Association

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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

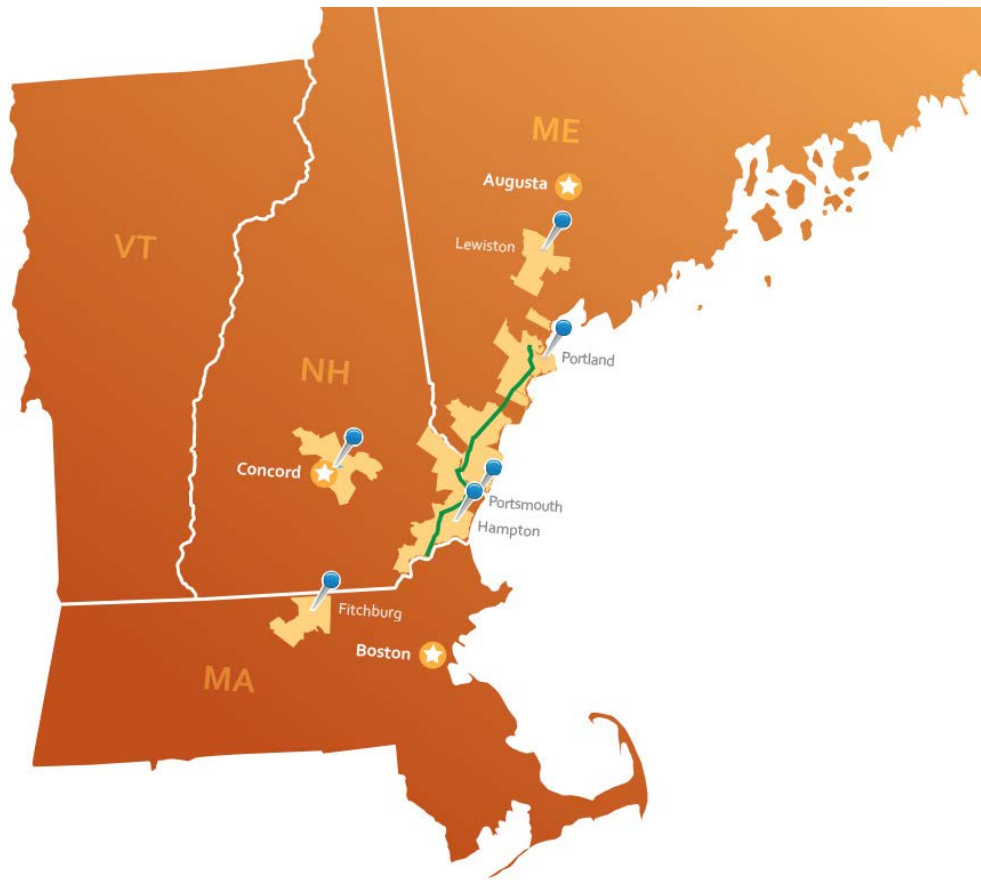


Unitil

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

Saco, ME

- Serving approximately 182,000 gas and electric customers



We estimate there is more than half a billion dollars of new construction in our service areas



Portland, ME

| Unemployment is well below the national average in the states we serve | | | |
|--|------|------|------|
| U.S. | MA | NH | ME |
| 5.0% | 4.4% | 2.6% | 3.4% |

Portland, Maine

- Best Places to Live 2014 (Money Magazine)
- Largest US city north of Boston
- \$400 million in combined private/public investment in the last three years

Portsmouth / Dover, New Hampshire

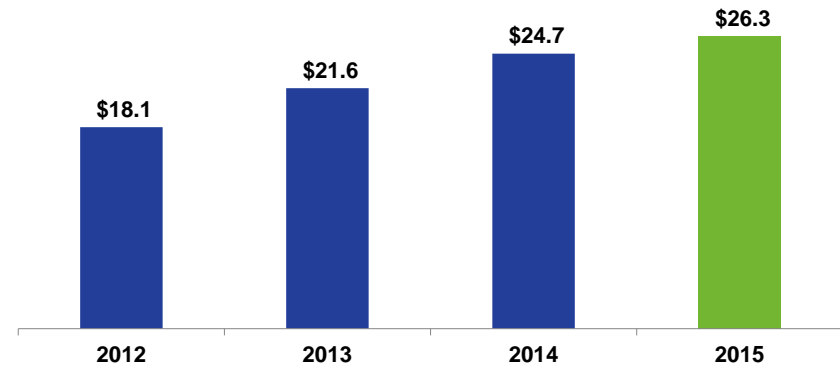
- New Hampshire's fastest growing area
- Top 100 Places to Live (CNN/Money Magazine)

Accomplishments

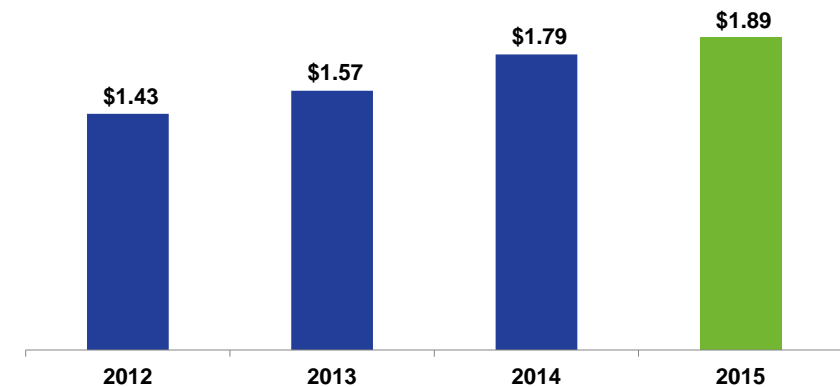
- **Operations performance**
 - 48% reduction in outages since 2010
- **Utility rate base growth**
 - 7% compound annual growth rate
- **Constructive regulation**
 - Rate relief has provided ~55% increase to sales margin since 2010

Net Income

(\$ in millions)

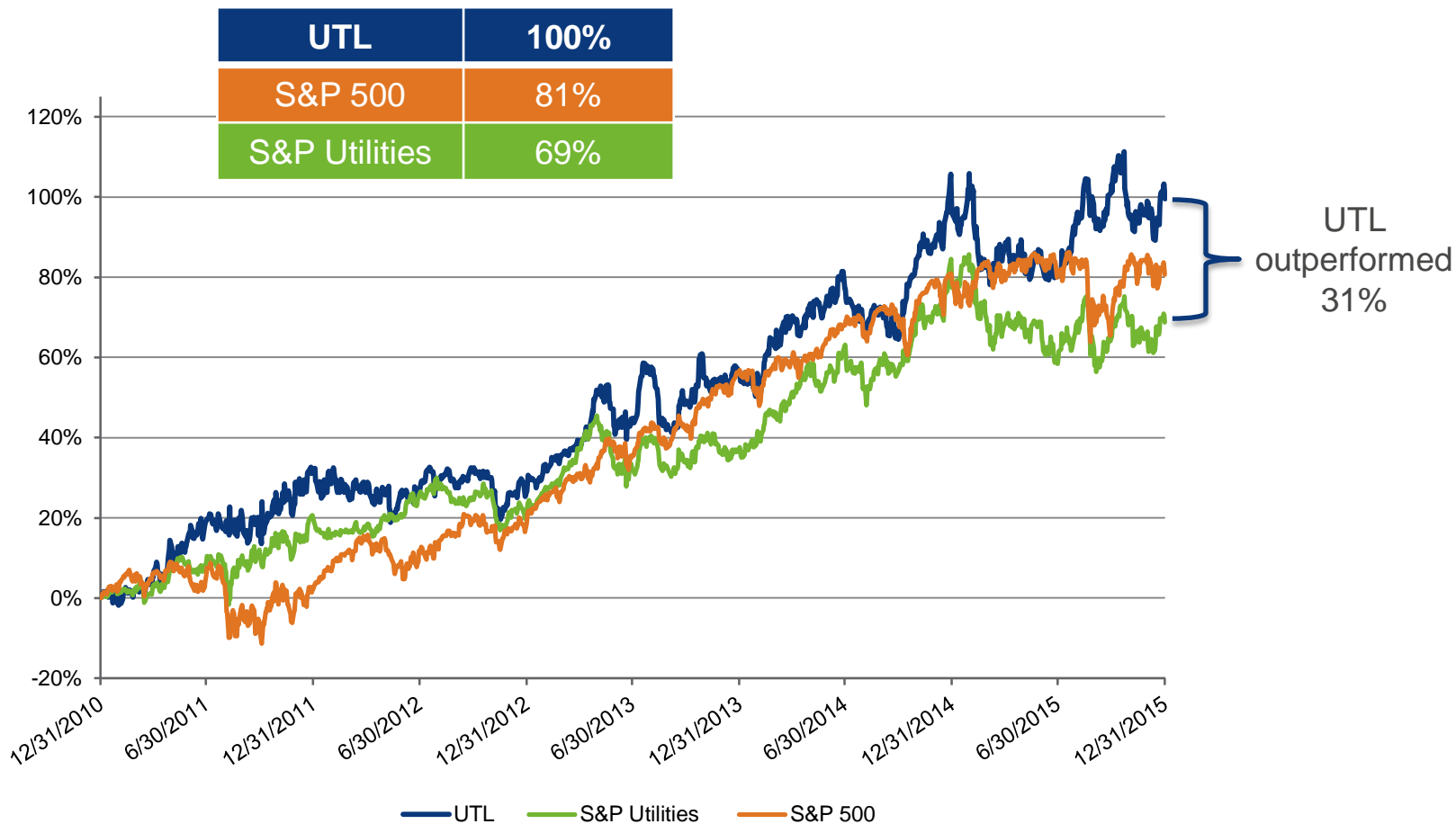


Earnings Per Share



Market Outperformance

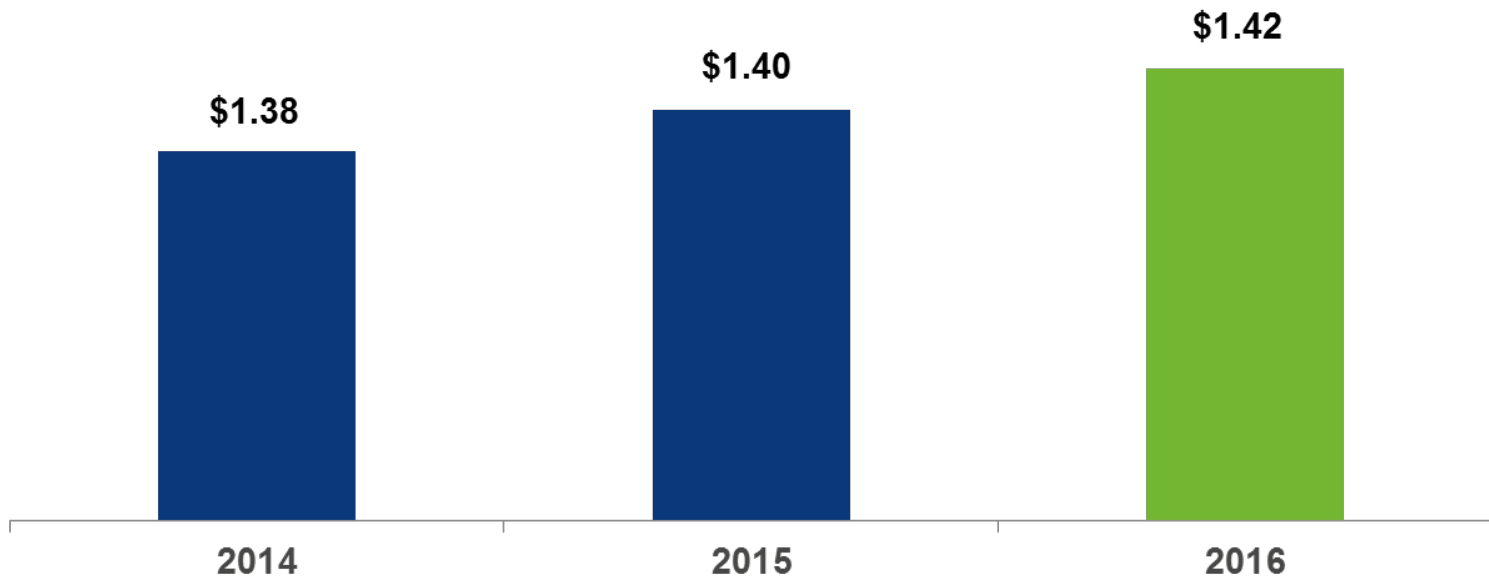
5-Year Total Return



Dividend Increases

- Unitil has continuously paid quarterly dividends and has never reduced its dividend rate

Dividends Per Share

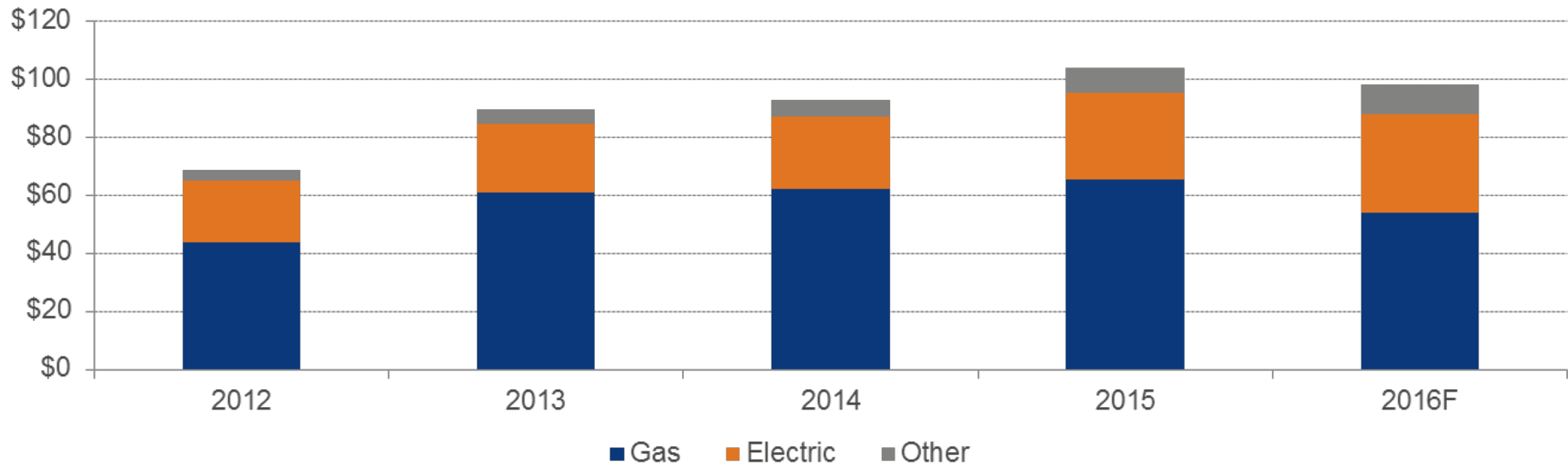


Robust Capital Spending

- Capital spending annual growth rate of 15% since 2012
- Total capital budget of \$98 million in 2016

Capital Spending

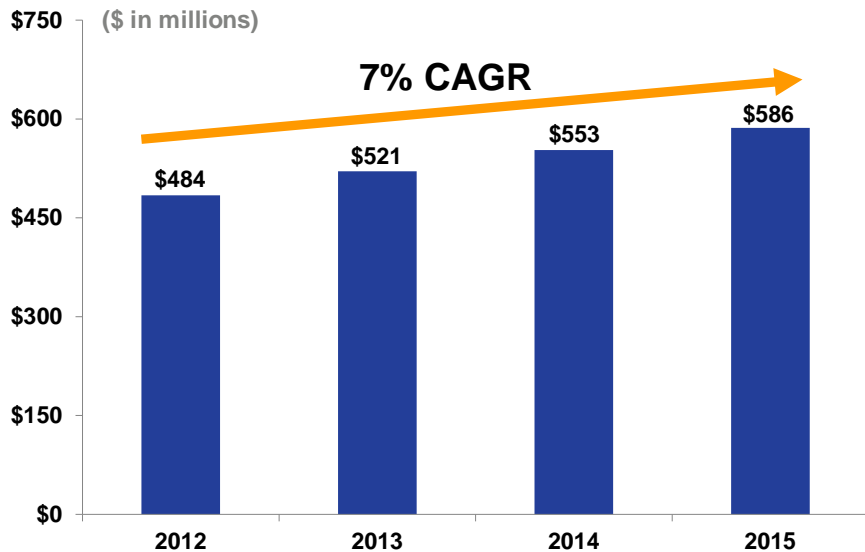
(\$ in millions)



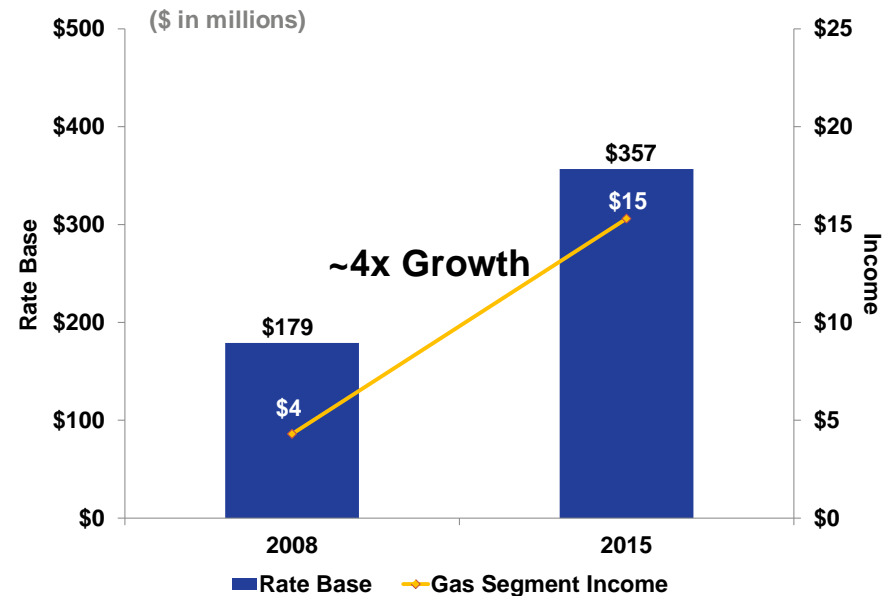
Rate Base Growth

- Rate base growth driven by gas distribution expansion, infrastructure replacement, and electric reliability investments

Gas & Electric Rate Base



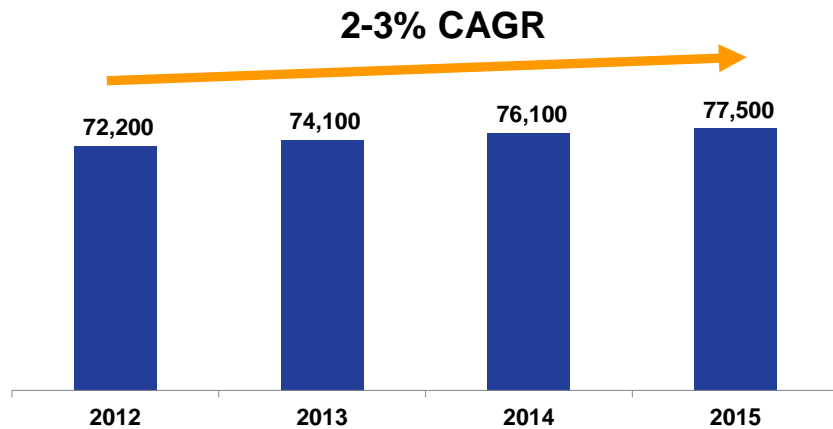
Gas Rate Base & Income



Unit Gas Growth

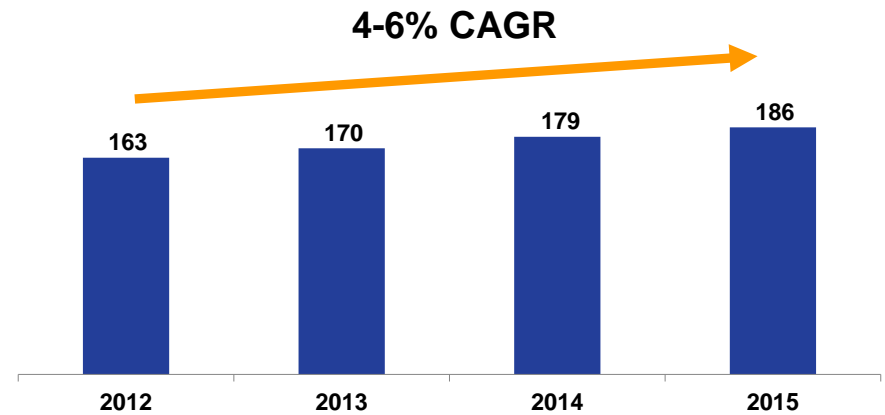
- Penetration rate less than 60% - room for growth

Average Customer Count



Historical Weather Normalized Sales*

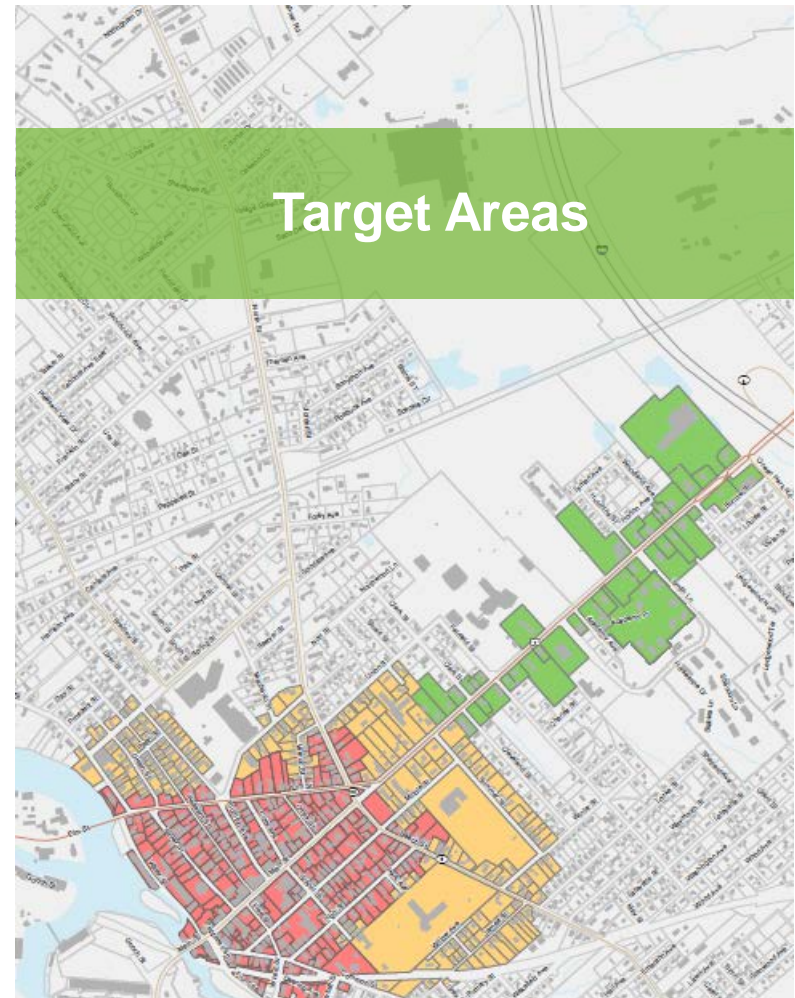
(therms, in millions)



* Excludes decoupled sales

New Gas Service Areas

- Targeted Area Buildout
 - Saco, ME pilot
 - Potential new market of 1,000 customers; \$1mm annual revenue
- Evaluating new opportunities in other cities and towns
- System expansion projects
 - Extending existing mains into adjacent areas attractive for years of growth





Gas Infrastructure Replacement

- Currently 81% of gas infrastructure system has been replaced with modern plastic pipe or protected steel

| 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 | Project completion expected end of 2024 | 20 year project |

Electric Growth Investment

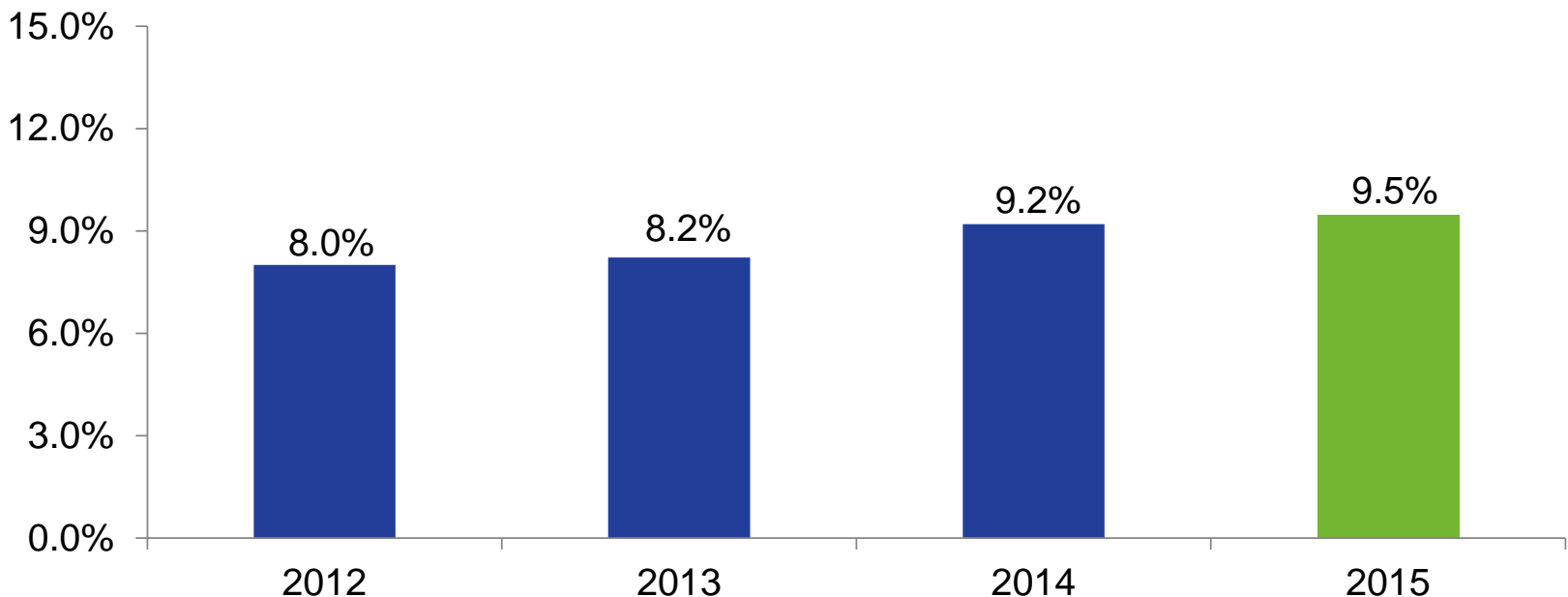
- Construction of two major electric substations to provide increased capacity and enhanced reliability
- Grid modernization – regulatory initiatives supporting new investment in distribution system



Constructive Regulation

- Fitchburg Gas & Electric (Massachusetts) awarded \$3.7 million in rate relief effective May 1, 2016
- Unitil Energy (New Hampshire) filed \$6.3 million rate case in April 2016

Return on Equity



Achieved ~\$65 million (~55% increase to sales margin) in rate relief since 2010

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 capital recovery mechanisms
- Dividend strength
- Experienced management team

