

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 1995

Commission File Number 1-8858

UNITIL Corporation
(Exact name of registrant as specified in its charter)

New Hampshire
(State or other jurisdiction of
incorporation or organization)

02-0381573
(I.R.S. Employer
Identification No.)

216 Epping Road, Exeter, New Hampshire
(Address of principal executive office)

03833
(Zip Code)

(603) 772-0775
(Registrant's telephone number, including area code)

NONE
(Former name, former address and former fiscal year, if changed
since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 8, 1995
Common Stock, No par value	4,302,334 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

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PART 1. FINANCIAL INFORMATION

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
Operating Revenues:				
Electric	\$34,050,063	\$32,363,117	\$68,680,779	\$67,785,270
Gas	3,423,175	3,573,344	9,605,350	11,289,726
Other	207,034	78,140	426,670	191,439
Total Oper. Rev.	37,680,272	36,014,601	78,712,799	79,266,435
Operating Expenses:				
Fuel and Purc. Power	23,050,619	22,152,656	46,249,619	46,225,647
Gas Purc. for Resale	2,126,771	2,250,157	5,585,321	6,665,978
Operations and Maintenance	5,732,168	5,396,818	11,117,153	10,739,385
Depreciation	1,548,067	1,537,372	3,118,742	3,084,063
Amort. of Cost of Abandoned Properties	396,869	384,601	817,588	806,922
Provisions for Taxes:				
Local Property and Other	1,055,275	974,339	2,249,717	2,157,933
Federal and State Income	848,735	634,991	2,312,271	2,323,494
Total Operating Expenses	34,758,504	33,330,927	71,450,411	72,003,422
Operating Income	2,921,768	2,683,674	7,262,388	7,263,013
Non-Operating Inc. (Expense)	110,445	7,474	52,721	19,257
Gross Income	3,032,213	2,691,148	7,315,109	7,282,270
Interest and Other Expenses:				
Interest on LT Debt	1,285,403	1,168,688	2,619,211	2,340,748
Other Int. Chrges	219,466	236,949	449,687	486,163
Total Income Deductions	1,504,869	1,405,637	3,068,898	2,826,911
Net Income	1,527,344	1,285,511	4,246,211	4,455,359
Less Dividends on Preferred Stock	70,835	72,461	142,136	146,679
Net Income Applicable to Common Stock	\$1,456,509	\$1,213,050	\$4,104,075	\$4,308,680
Average Common Shares Outstanding	4,290,940	4,225,030	4,282,783	4,218,416
Earnings Per Share of Common Stock	\$0.34	\$0.29	\$0.96	\$1.02
Dividends Declared per Share or Common Stock (Note 1)	\$0.32	\$0.31	\$0.96	\$0.93

(The accompanying notes are an integral part of these statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 1995	June 30, 1994	December 31, 1994
ASSETS:			

Utility Plant (at cost):			
Electric	\$144,392,906	\$137,888,009	\$142,311,415
Gas	26,102,007	24,639,902	25,652,522
Common	7,873,934	9,972,967	9,783,183
Construction Work in Progress	3,058,274	2,041,082	1,029,681
Total Utility Plant	181,427,121	174,541,960	178,776,801
Less: Accumulated Depreciation	58,542,627	56,014,672	57,203,799
Net Utility Plant	122,884,494	118,527,288	121,573,002
Non-operating Property (at cost)	32,605	120,355	120,355
Miscellaneous (at cost)	9,843	17,478	17,343
Current Assets:			
Cash	2,199,060	1,611,741	3,810,123
Accounts Receivable - less allowance for doubtful accounts of \$539,741			
\$618,873 and \$573,849	13,008,798	13,562,728	13,281,686
Materials and Supplies	2,009,732	2,080,936	2,089,979
Prepayments	678,516	732,081	408,701
Accrued Revenue	2,029,452	2,669,791	2,292,297
Total Current Assets	19,925,558	20,657,277	21,882,786
Deferred Debits:			
Unamortized Debt Expense (amortized over term of securities)	913,559	713,274	955,931
Unamortized Cost of Abandon. Property	27,955,250	29,571,556	28,772,838
Prepaid Pension Costs	6,244,710	5,390,594	5,801,714
Other	24,460,235	25,776,980	25,397,492
Total Deferred Debits	59,573,754	61,452,404	60,927,975
TOTAL ASSETS	\$202,426,254	\$200,774,802	\$204,521,461

(The accompanying notes are an integral part of these statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 1995	1994	December 31, 1994
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity (Notes 1 and 2):			
Common Stock, No Par Value, 8,000,000 Shares Authorized 4,300,587, 4,232,666 and 4,267,837			
Shares Outstanding	\$32,293,618	\$31,150,980	\$31,751,984
Paid in Capital - Stock Options	1,251,643	1,045,482	1,062,198
Retained Earnings	27,173,413	25,063,758	27,183,016
Total Common Equity	60,718,674	57,260,220	59,997,198
Preferred Stock:			
Non-Redeemable, Non-Cumulative,			
Redeemable, Cumulative,	225,000	225,000	225,000
Total Preferred Stock	3,773,900	3,868,600	3,868,600
Total Preferred Stock (Note 3)	3,998,900	4,093,600	4,093,600
Long-Term Debt (Note 4)	63,466,000	55,521,229	65,288,231
Total Capitalization	128,183,574	116,875,049	129,379,029
Capital Lease Obligations	3,260,128	3,597,658	3,377,389
Current Liabilities:			
Long-Term Debt Due Within One Year	144,000	1,227,486	292,090
Notes Payable	0	5,340,000	0

Accounts Payable	10,656,094	12,930,463	12,491,041
Dividends Declared	1,534,903	1,454,971	152,210
Customer Deposits	2,721,807	2,587,590	2,482,779
Taxes Accrued	39,958	193,511	(345,243)
Interest Accrued	1,408,871	1,177,454	1,376,477
Capitalized Lease Obligations	498,770	512,773	460,152
Other	1,832,404	2,185,267	2,546,878
Total Current Liabilities	18,836,807	27,609,515	19,456,384

Deferred Credits:

Unamortized Investment Tax Credit	1,904,994	2,111,510	2,006,168
Other	9,268,130	9,470,977	9,212,872
Total Deferred Credits	11,173,124	11,582,487	11,219,040

Deferred Income Taxes	40,972,621	41,110,093	41,089,619
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TOTAL LIABILITIES AND CAPITALIZATION	202,426,254	200,774,802	204,521,461
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(The accompanying notes are an integral part of these statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	June 30,	
	1995	1994
Net Cash Flow from Operating Activities:		
Net Income	\$4,246,211	\$4,455,359
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation and Amortization	3,936,330	3,890,985
Deferred Taxes	(29,899)	(17,188)
Amortization of Investment Tax Credit	(101,174)	(105,334)
Provision for Doubtful Accounts	369,264	372,381
Amortization of Debt Expense	43,950	32,676
Change in Assets and Liabilities (Increase) Decrease in:		
Accounts Receivable	(96,377)	(217,238)
Materials and Supplies	80,247	446,529
Prepayments	(269,815)	(243,577)
Prepaid Pension	(442,996)	(373,473)
Accrued Revenue	262,845	976,698
Increase (Decrease) in:		
Accounts Payable	(1,834,947)	(509,822)
Customers' Deposits and Refunds	239,028	849,136
Taxes Accrued	385,201	(73,671)
Interest Accrued	32,394	16,701
Other	443,110	142,265
Net Cash Provided by Operating Activities	7,263,372	9,642,427
Net Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equip.	(6,401,340)	(3,618,948)
Proceeds from Taking of Land & Building	2,002,056	0
Net Cash Used in Investing Activities	(4,399,284)	(3,618,948)
Cash Flows from Financing Activities:		
Net (Decrease) in Short-term Debt	0	(3,060,000)
Net (Decrease) in Long-term Debt	(1,970,322)	(629,380)
Payments of Dividends	(2,873,120)	(2,747,940)
Issuance of Common Stock	541,634	507,971
Retirement of Preferred Stock	(94,700)	(104,100)
Net Increase/(Decrease) in Capital	(78,643)	(84,075)
Leases		
Net Cash Flows from Financing Activities	(4,475,151)	(6,117,524)
Net Increase in Cash	(1,611,063)	(94,045)
Cash at beginning of year	3,810,123	1,705,786
Cash at June 30,	\$2,199,060	\$1,611,741
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for:		
Interest	\$2,994,398	\$2,777,987
Federal Income Taxes	\$955,000	\$2,231,000

(The accompanying notes are an integral part of these statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1.

Dividends Declared Per Share:

Three common stock dividend declarations were reported for the six months ended June 30, 1995 and 1994. For the three months ended June 30, 1995 and 1994 one quarterly dividend was declared.

Common Stock Dividend:

On June 16, 1995, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of \$0.32 per share which is payable on August 15, 1995 to shareholders of record as of August 1, 1995.

On March 23, 1995, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of \$0.32 per share which is payable on May 15, 1995 to shareholders of record as of May 1, 1995.

On January 17, 1995, the Company's Board of Directors approved a 3.2% increase to the dividend rate on its common stock. The new regular dividend rate is \$0.32 per share and was payable February 15, 1995 to shareholders of record as of February 1, 1995.

Note 2.

Common Stock:

During the second quarter of 1995, the Company sold 17,105 shares of Common Stock, at an average price of \$16.831 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of \$281,929 were used primarily for additions, extensions, and betterments to the Company's property, plant and equipment.

Note 3.

Preferred Stock:

Details on preferred stock at June 30, 1995, June 30, 1994 and December 31, 1994 are shown below:

	June 30, 1995	June 30, 1994	December 31, 1994
Preferred Stock:			
Non-Redeemable,			
Non-Cumulative,			
6%, \$100 Par Value	225,000	225,000	225,000
Redeemable, Cumulative,			
\$100 Par Value:			
8.70% Series	215,000	230,000	230,000
5% Dividend Series	98,000	105,000	105,000
6% Dividend Series	168,000	175,000	175,000
8.75% Dividend Series	344,300	344,300	344,300
8.25% Dividend Series	406,000	436,000	436,000
5.125% Dividend Series	1,076,600	1,108,100	1,108,100
8% Dividend Series	1,466,000	1,470,200	1,470,200
Total Redeemable	3,773,900	3,868,600	3,868,600
Preferred Stock			
Total Preferred Stock	3,998,900	4,093,600	4,093,600

Note 4.

Long-term Debt:

Details on long-term debt at June 30, 1995, June 30, 1994 and December 31, 1994 are shown below:

	June 30, 1995	June 30, 1994	December 31, 1994
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Concord Electric Company:
First Mortgage Bonds:

Series C, 6 3/4%, due January 15, 1998	1,584,000	1,584,000	1,584,000
Series D, 8.70%, due November 15, 2001		930,000	
Series G, 9.85%, due October 15, 1997		1,500,000	
Series H, 9.43%, due September 1, 2003	6,500,000	6,500,000	6,500,000
Series I, 8.49%, due October 14, 2024	6,000,000		6,000,000

Exeter & Hampton Electric
Company:

First Mortgage Bonds:

Series D, 4 3/4%, due June 1, 1994			
Series E, 6 3/4%, due January 15, 1998	511,000	518,000	518,000
Series F, 8.70%, due November 15, 2001		1,235,000	
Series G, 8 7/8%, due April 1, 2004		930,000	
Series H, 8.50%, due December 15, 2002	1,015,000	1,120,000	1,015,000
Series I, 9.85%, due October 15, 1997		1,400,000	
Series J, 9.43%, due September 1, 2003	5,000,000	5,000,000	5,000,000
Series K, 8.49%, due October 14, 2024	9,000,000		9,000,000

Fitchburg Gas and Electric
Light Company:

Promissory Notes:

8.55% Notes due March 31, 2004	15,000,000	15,000,000	15,000,000
6.75% Notes due November 30, 2023	19,000,000	19,000,000	19,000,000

Realty Corp.:

Promissory Note:

10.59% Note due October 25, 1998		2,031,715	1,963,321
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Total	63,610,000	56,748,715	65,580,321
Less: Installments due within one year	(144,000)	1,227,486	292,090

Total Long-term Debt	63,466,000	55,521,229	65,288,231
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Note 5.

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the consolidated financial position as of June 30, 1995 and 1994; and results of operations for the six months ended June 30, 1995 and 1994; and consolidated statements of cash flows for the six months ended June 30, 1995 and 1994.

The results of operations for the six months ended June 30, 1995 and 1994 are not necessarily indicative of the results to be expected for the full year.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
AND FINANCIAL CONDITION

EARNINGS

Consolidated earnings per average common share outstanding were \$0.34 for the three-months ended June 30, 1995, as compared to \$0.29 per average common share outstanding for the three-months ended June

30, 1994. This increase of \$0.05 per share was primarily due to higher electric base revenues.

Over half of the increase in second quarter earnings was due to higher electric and gas base revenues. All three of the UNITIL System's retail distribution subsidiaries experienced increased base revenues in the second quarter of 1995, as compared to 1994, reflecting increases in kilowatt-hour sales, kilowatt billing demands and firm gas therm sales. Total kilowatt-hour sales rose 5.5% in the second quarter of 1995, to 332,318,888 KWH from 314,992,652 KWH in the year earlier period. Firm gas therm sales increased 1.9% during the second quarter of 1995, to 4,660,553 therms, from 4,573,514 therms in the same period of 1994.

While the demand for energy increased across all customer classes-residential, commercial and industrial - electricity sales were particularly strong to the System's largest industrial and commercial customers. Kilowatt-hour sales to these groups grew by 8.5% in the second quarter of 1995 to 123,641,762 KWH, from 113,957,504 KWH in the year earlier period. Electric sales to smaller non-residential customers also demonstrated solid growth in the quarter as sales rose to 90,629,970 KWH, an increase of approximately 5.6% over sales of 85,843,265 KWH in the second quarter of 1994. Residential sales grew 2.6% in the second quarter, increasing to 115,209,139 KWH in the second quarter of 1995 from 112,298,278 KWH in the year earlier period. This growth reflects an ongoing expansion of the companies' large commercial and industrial customer base, as well as, higher overall energy demand by existing customers.

The remaining increase in second quarter earnings was primarily attributable to a reduction of over 5% in the System's operations-related costs (excluding conservation program costs which are normally recoverable from customers through a periodic rate adjustment mechanism). Increased earnings by UNITIL Resources, the System's non-utility energy consulting subsidiary, also contributed to the improved second quarter operating results. Partially offsetting these improvements in revenues and expenses during the quarter, was a 10% increase in interest expenses, due to the conversion of short-term debt into long-term debt in late 1994.

Earnings per average common share for the six months ending June 30, 1995 and 1994 were \$0.96 and \$1.02, respectively. This decrease in earnings in the first six months of 1995 was primarily attributable to lower gas base revenues and increased interest expenses. Higher electric sales coupled with a reduction in the cost of operations partially offset these factors and continue to contribute positively to earnings during the current period.

As a result of the extremely mild 1995 heating season, firm gas therm sales for the first half of 1995 decreased approximately 10.0%, to 14,380,297 therms, from 15,982,402 therms in the first half of 1994. During this same 6-month period, kilowatt-hour sales and kilowatt billing demands increased by 1.3% and 3.7%, respectively. Electric sales rose to 693,207,407 KWH in the first half of 1995, from 684,009,011 in the first half of 1994.

Interest-related expenses increased approximately 11.9% in the first half of 1995, primarily reflecting the late 1994 conversion of short-term debt into long-term debt by the Company's two New Hampshire retail distribution subsidiaries.

CAPITAL REQUIREMENTS

Capital expenditures for the six months ended June 30, 1995 were approximately \$6,400,000. This compares to \$3,600,000 during the same period last year. Capital expenditures for the year 1995 are estimated to be approximately \$15,500,000 as compared to \$9,800,000 for 1994. The projected increase of \$5,700,000 reflects an increase of approximately \$2,600,000 for planned utility system expansions, replacements and other improvements, as well as additional capital expenditures of approximately \$3,100,000 for the commencement of construction of a new corporate headquarters. The Company completed the purchase of land for this facility during the second quarter of 1995, and site preparation work and construction are expected to begin immediately.

COMPETITION

As the trend continues towards competition in the electric utility industry, UNITIL has actively participated in the debates and proceedings on the issue in both New Hampshire and Massachusetts, favoring a reasonable and orderly transition to competition and more choice for all customers.

Within New Hampshire, both the New Hampshire Public Utility Commission (the "NHPUC") and the State Legislature have been involved in discussions and analysis relative to competition in the industry. The NHPUC recently issued its initial order in response to a petition by a power marketer seeking to sell to certain industrial customers of an investor-owned New Hampshire utility. In its order the NHPUC ruled that utilities in New Hampshire do not have exclusive franchise territories and directed the marketer to seek a declaratory order from the Federal Energy Regulatory Commission regarding its proposed transactions. This decision is likely to be appealed at the state Supreme Court. Effective July 23, 1994, the NHPUC was granted the authority pursuant to RSA 374:3-a to approve alternative forms of regulation upon either the petition of a utility or the NHPUC's own initiative. On June 9, 1995 the New Hampshire Legislature passed Senate Bill 168 (SB 168), which was signed into law on June 19, 1995. SB 168 establishes a legislative task force to consider changes in the structure of the electric utility industry. The act also directs the NHPUC to begin a retail wheeling pilot program and to act within five months to establish standards for utility discounts to industrial customers.

In Massachusetts, the Massachusetts Department of Public Utilities (the "MDPU") has concluded hearings in its electric industry restructuring docket, DPU 95-30. On July 17, 1995, a coalition of 19 organizations filed with the MDPU a set of principles, known as the Massachusetts Roundtable Principles, that would lead to restructuring of the electric industry. The MDPU is expected to issue a decision in DPU 95-30 in the fall of 1995.

Although the Company can not predict the outcome of these legislative and regulatory changes, the Company does believe the increasing competition in the industry is inevitable. The Company is well positioned to continue to respond to the emergence of a competitive environment.

PART I. EXHIBIT

11.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING (UNAUDITED)

PRIMARY	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	1995	1994	1995	1994
Net Income	\$1,527,344	\$1,285,511	\$4,246,211	\$4,455,359
Less: Dividend Requirement				
on Preferred Stock	70,835	72,461	142,136	146,679
Net Income Applicable to Common Stock	1,456,509	1,213,050	4,104,075	4,308,680
Average Number of Common Shares Outstanding	4,290,940	4,225,030	4,282,783	4,218,416
Earnings Per Common Share	\$0.34	\$0.29	\$0.96	\$1.02

FULLY-DILUTED	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	1995	1994	1995	1994

Net Income	\$1,527,344	\$1,285,511	\$4,246,211	\$4,455,359
Less: Dividend Requirement on Preferred Stock	70,835	72,461	142,136	146,679
Net Income Applicable to Common Stock	1,456,509	1,213,050	4,104,075	4,308,680
Average Number of Common Shares Outstanding	4,365,961	4,298,194	4,357,227	4,291,015
Earnings Per Common Share	\$0.33	\$0.28	\$0.94	\$1.00

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith

(b) Reports on Form 8-K

During the quarter ended June 30, 1995, the Company did not file any reports on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL CORPORATION
(Registrant)

Date: August 12, 1995

/s/ Gail A.Siart
Gail A. Siart, Treasurer and Chief
Financial Officer

(Gail A. Siart is the Principal Financial Officer and has been duly authorized to sign on behalf of the registrant.)

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DEC-31-1995

JAN-31-1995

JUN-30-1995

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PER-BOOK

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202,426,254

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2,619,211

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