



Unitil Files Electric Default Rates Increase

October 25, 2004

Hampton, NH. (October 25, 2004): Unitil Corporation (Unitil) (AMEX:UTL) filed the results of its latest electric Default Service solicitation with the Massachusetts Department of Telecommunications and Energy (MDTE). If the filing is approved, electric bills for most residential and small commercial Default Service customers will increase 5-9% beginning December 1, 2004. The new rates will be in place through May 2005 for these customers.

A typical residential customer using 500 kWh per month will see their bill increase \$6.12 to \$74.16, or 9.0%. The proposed residential Default Service rate is higher than Unitil's current Standard Offer Service rate, so low income customers (who receive the lower of the two rates) will be moved to Standard Offer Service effective December 1, 2004. Their bills will increase on average 1.3%.

Electric bills for large commercial, industrial and street lighting customers taking Default Service will be increasing from 15-22% depending on rate class and usage. The Default Service rate for these customers applies for only three months, including the two highest cost months of January and February. In addition, competitive energy supply options may be available for large customers, with different terms and negotiated prices, as an alternative to Default Service.

The rate increases are being driven primarily by the recent significant increases in the cost of oil and natural gas, fuels which are used for electric generation. Electric Default Service is designed to ensure that no one will be without a supplier of electricity. Electric Default Service supply is procured pursuant to state regulation in a highly competitive power supply solicitation process every six months for residential and small business customers, and every three months for medium and large business customers. The resulting rates reflect current market prices for electricity without any profit or markup from Unitil. Approximately 44% of Unitil's electric customers are presently on Default Service.

Customers who have their own energy supplier or take Standard Offer Service are not affected by this rate change. However, Standard Offer Service is scheduled to end in February 2005, at which time customers who have not contracted with a competitive energy supplier will be placed on Default Service.

Unitil (www.unitil.com) is a public utility holding company with subsidiaries providing electric service in New Hampshire, electric and gas service in Massachusetts and energy services throughout the Northeast.

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