



Unitil/FG&E Files for Performance Based Rates

April 17, 2002

Fitchburg, MA (April 17, 2002) - Unitil Corporation (AMEX: UTL) announced that its Massachusetts distribution utility Fitchburg Gas and Electric Light Company (Unitil/FG&E) filed Performance Based Regulation (PBR) Plans yesterday with the Massachusetts Department of Telecommunications and Energy (MDTE) for both its electric and gas divisions. In conjunction with this filing, the Company also notified the MDTE of its intent to file in one month for changes to its electric and gas Distribution Charges in order to establish appropriate rate levels necessary to initiate the PBR Plans.

"With the completion of the electric and gas restructuring process, Unitil/FG&E has completed the transition to being an electric and gas distribution utility while maintaining a strong focus on safety, reliability, service and cost control," said Bob Schoenberger, Unitil's Chairman and Chief Executive Officer. "Our PBR Plans will change the regulatory process by better aligning our business interests with the interests of our customers through incentives and penalties. We intend to use this change to continue building stronger working partnerships with our customers and with the communities we serve."

Under the proposed PBR Plans, Distribution Charges for both gas and electric distribution service will be updated for the latest revenue and cost information through a traditional base rate case review process before the MDTE. Distribution Charges comprise about one quarter to one-third of a customer's total bill for electric or gas service. The revised Distribution Charges are expected to be in place by December 1, 2002, and to remain unchanged until July 1, 2004. At that time, and annually thereafter, Distribution Charges will be adjusted for inflation less a productivity offset. However, Service Quality penalties of up to two percent may be applied to reduce rates in the event of poor performance on safety, reliability or customer service. The program will continue for a period of ten years, with an opportunity for review after five years.

Unitil 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. Additional information is available at www.unitil.com. Unitil's subsidiaries include Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Service Corp. and its unregulated business segment Unitil Resources, Inc. Usource L.L.C. is a subsidiary of Unitil Resources, Inc. The Usource product line is available at www.usourceonline.com.

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