



Usource Sees Continued Growth of Retail Energy Markets in Northeast

January 10, 2002

Hampton, NH (January 10, 2002) – Usource L.L.C., an affiliate of Unitil Corporation (AMEX: UTL) of Hampton, NH, reported today that its competitive retail energy brokerage activity continued to accelerate through the end of 2001, with increases in both customer count and transaction volumes. The most significant growth in the latter half of 2001 occurred primarily in the electric markets in Massachusetts and Maine, as well as the gas markets in Pennsylvania, New York and Connecticut.

Energy contracts executed through Usource during 2001 exceeded \$100M in value, with almost a third derived from electric transactions. Gas transactions were relatively balanced throughout the year. More than 80% of electric transactions occurring in the last six months of the year. This growth in 2001 brings the Usource customer count to over 500.

"As competitive activity has increased, market prices for retail energy purchases have continued to improve relative to utility offers," said Unitil CEO Bob Schoenberger. "Customers are becoming more informed as to the benefits of the competitive markets and are finding better energy solutions by entering the market. Many of these customers have found that Usource offers a more efficient way of accessing the competitive market participants as opposed to lengthy negotiations with individual suppliers."

One of those customers is Erving Paper, a privately-owned paper manufacturing operation in Erving, Massachusetts, founded in 1905. Erving Paper manufactures and sells recycled tissue, about 40,000 tons a year, and employs 140. Energy, both oil and electricity, is extremely important to its operation and is a major component of the cost of its product. According to General Manager Tom Newton, both the cost of energy and volatility in energy prices are real concerns. "Our competition doesn't care when our costs go up – I felt we had to find an efficient solution for our energy procurement problems, and that's what Usource offered. This was our first time in the process and we were very happy with the experience. Usource helped simplify and streamline a complex process, and saved us a lot of time in the acquisition process."

Nelson Widell, Manager of Waste Options Atlantic L.L.C., which manages the Bedminster municipal waste management and composting facility in Marlborough, Massachusetts, agrees. The Bedminster facility takes biosolids from Marlborough's wastewater treatment plants, up to 60 tons per day, and municipal solid waste of up to 120 tons per day, and treats them in a high-tech composting operation, producing a high quality compost marketed throughout Eastern Massachusetts. "Electricity is a significant operating cost, needed for running the primary digester and internal materials handling equipment, as well as the sophisticated air handling system and 30,000 square foot biofilter. Working with Usource was a great experience – they have the energy expertise, and an efficient process for accessing competitive market offers." Usource L.L.C. is an affiliate Unitil of Hampton, NH, based Unitil Corporation (AMEX:UTL). Customers using Usource benefit from highly competitive energy market offerings obtained through a sophisticated yet quick and simple-to-use electronic auction system. Usource began providing web-based energy solutions in 1999 at www.usourceonline.com. Usource Energy Buying is a neutral, independent service that enables customers to post their energy requirements on the nation's most active retail energy exchange. Usource currently serves northeastern United States and has more than 500 customer accounts under management, including leading industrial corporations, large business and industrial associations, major municipal and government buyers as well as key commercial and industrial buying groups.

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