



Unitil/FG&E Electric Default Service Rate to Decrease by 45%

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- Enermetrix Energy Exchange Used to Access Lower Energy Supply Costs
- Low Income Customers Will Benefit

Hampton, NH – October 3, 2001: Unitil Corporation (AMEX: UTL) (www.unitil.com) announced its wholly owned subsidiary, Fitchburg Gas and Electric Light Company (FG&E), filed today for a 45% decrease in its electric Default Service rates with the Massachusetts Department of Telecommunications and Energy (MDTE). If approved by the MDTE, the proposed rates will go into effect for the period from December 1, 2001 to May 31, 2002.

For the first time, Unitil/FG&E conducted its Default Service solicitation process through the web-based Energy Exchange of Enermetrix, based in Maynard, MA. Unitil/FG&E's energy requirements were posted on the Energy Exchange for review by numerous energy suppliers and marketers. Several multi-national energy suppliers responded with bids significantly below current rates, with the winning bid yielding substantial savings for customers.

Unitil/FG&E will offer the very low Default Service rate to all of its low-income customers, including those presently served under Standard Offer Service, in accordance with MDTE policy. This policy, which also allows low-income customers to return to Standard Offer Service at any time, insures that low-income customers always receive the lowest possible rate from the utility.

Under the Unitil/FG&E proposal, the Default Service rate will decrease by over 45% for residential customers, dropping to 4.996 cents/kWh from the currently effective rate of 9.128 cents/kWh. As a result, a typical residential customer on Default Service using 500 kWh per month will see their monthly bill drop to \$65.40 from the current level of \$86.06, a reduction of \$20.66 or 24% on the total bill. Commercial and industrial customers currently taking Default Service will also see similar decreases in rates. For a low-income residential customer presently receiving Standard Offer Service, the average monthly bill for 500 kWh will drop to \$51.09 from the current level of \$57.87, a reduction of \$6.78 or 11.7%.

"I am very pleased to announce another rate decrease for Unitil customers." Said Unitil CEO Bob Schoenberger. "Combined with the decrease in rates for gas service which we filed on September 17th, this is very good news for our customers and will reduce the economic burden of energy costs for this coming winter particularly for our low income customers. I am also pleased with the efficiency and negotiating power of Enermetrix' web-based Energy Exchange in leveraging declining wholesale energy prices to the benefit our retail customers."

Default service is an electric energy supply service provided to customers who opened their account with FG&E after March 1, 1998, or who were served by a competitive supplier and have reverted to FG&E to provide electric supply. The availability of Default Service ensures that no one will ever be without a supplier of electricity. To provide Default Service, FG&E must solicit bids from market suppliers and then enter into a contract to purchase electricity from one or more of these suppliers. The price FG&E pays for Default Service supply reflects current market pricing. Default Service customers have two pricing options, a fixed rate and a monthly variable rate. Roughly 20% of FG&E's electric customers take default service.

Unitil is a public utility holding company with subsidiaries providing electric service in New Hampshire and electric and gas service in Massachusetts and energy services throughout the Northeast. Its 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 unit 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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