



Unitil Reports 1st Quarter Earnings

May 3, 2000

Hampton, NH – May 3, 2000 – Unitil Corporation (AMEX:UTL) today announced that its diluted earnings for the first quarter of 2000 were \$0.55 per average common share outstanding, a decrease of \$0.03 from the first quarter of 1999. This decrease reflects higher operation and maintenance and depreciation expenses, including start-up costs of the Usource E-commerce business. These costs were offset by stronger electric and gas sales. Also contributing to the lower earnings per share was the impact of an increase in the number of average common shares outstanding in the current period compared to the prior period.

Total Operating revenues were \$46.3 million in the first quarter of 2000 compared to \$42.3 million in the prior year, the result of higher unit energy sales and increased energy supply costs in the current period. First quarter electric sales were stronger in 2000, reflecting customer growth and increased usage – primarily a result of the ongoing strength of the local and regional economies.

Said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer, "I am pleased that Unitil has been able execute its key strategies to grow its electric and gas distribution business and to invest in Usource – our innovative, new Internet-based energy services business – which doubled customer volumes under contract in the first quarter."

Total electric kWh sales were up 1.3% compared to the first quarter of 1999. Electric sales to residential customers increased by 5.9% in the first quarter of 2000. Electric kWh sales to commercial and industrial customers were 1.5% lower, because a major industrial customer suspended operations. Exclusive of this customer, electric commercial and industrial sales were 4.0% higher than the first quarter of 1999.

Customer growth also led to an increase in gas sales in the first quarter of 2000. Total Firm Therm Gas sales were up 4.9% compared to the prior year. Firm Therm sales to residential customers were 2.4% higher in 2000 compared to the first quarter of 1999, and Firm Therm sales to commercial and industrial customers increased 7.5% over the prior year.

Brokering electricity and natural gas through the Usource on-line energy bid system gained wider acceptance during the first quarter of 2000. Usource initiated a pilot program partnership with the New York City Housing Authority, in which the Authority will utilize the Usource on-line energy bid system for acquisition of its current gas requirements. Also, during the first quarter, Usource reached agreement with an industrial association of large energy users with facilities located throughout New York. Usource was also approved to conduct business in Maine and Pennsylvania.

Diluted earnings per average common share for the 12 months ended March 31, 2000 and 1999 were \$1.71 and \$1.78, respectively. Contributing to the lower earnings per share was the impact of an increase in the number of average common shares outstanding.

Unitil is a public utility holding company with a combination electric and gas utility distribution operation in north central Massachusetts and electric utility distribution operations in several cities and towns in the seacoast and capital city areas of New Hampshire. Unitil is also engaged in energy planning, procurement, marketing and consulting activities through both its utility and non-utility subsidiaries. Its subsidiaries are Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Resources, Inc., and Unitil Service Corp.

This news release contains forward-looking statements which are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to; variations in weather, changes in the regulatory environment, customers' preferences on energy sources, general economic conditions, increased competition and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of the Company.

Unitil Corporation

(Amounts In Thousands, except Shares and Per Share Data)

	Three Months Ended <u>March 31,</u>	
	<u>2000</u>	<u>1999</u>
Operating Revenues	\$46,317	\$42,3478
Net Income	\$2,597	\$2,676
Basic Earnings Per Share	\$0.55	\$0.58
Diluted Earnings Per Share	\$0.55	\$0.58
Average Common Shares Outstanding	4,714,540	4,621,042

Twelve Months Ended
March 31,

	<u>2000</u>	<u>1999</u>
Operating Revenues	\$176,343	\$165,032
Net Income	\$8,091	\$8,098
Basic Earnings Per Share	\$1.71	\$1.78
Diluted Earnings Per Share	\$1.71	\$1.78

Average Common Shares Outstanding **4,705,647** 4,541,460

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