



Unitil/FG&E Seeks MDTE Approval for Select Energy Agreement

July 7, 1999

Hampton, NH; July 7, 1999 – Fitchburg Gas and Electric Light Company ("FG&E"), a wholly owned subsidiary of Unitil Corporation (AMEX: UTL), has filed a request for approval with the Massachusetts Department of Telecommunications and Energy ("MDTE") for the sale to Select Energy, Inc. ("Select"), a subsidiary of Northeast Utilities, of the output from FG&E's electric power supply portfolio. Contract execution was announced on June 21, 1999.

Under the Agreement, Select will purchase the electrical output from FG&E's entitlements in:

- power contracts with two non-utility generation facilities: 3 megawatts ("MW") from the Linweave hydro-electric project in Holyoke, MA, and 14 MW from the Pinetree wood-fired project in Fitchburg, MA
- a 0.1822% ownership interest, or 1.13 MW, in Wyman 4, an oil-fired plant in Yarmouth, ME
- a 0.2179% ownership interest, or 2.5 MW, in Millstone 3, a nuclear power plant in Waterford, CT operated by a subsidiary of Northeast Utilities

In addition, FG&E will assign to Select its entire 15 MW purchased power contract with Public Service Company of New Hampshire, a subsidiary of Northeast Utilities.

The Agreement filed by FG&E is in the form of a life of service arrangement with Select and represents the winning bid in FG&E's competitive divestiture auction process. Under the Agreement, FG&E has retained certain obligations which it will recover in rates through its MDTE-approved transition charge. The Agreement reduces FG&E's Transition costs previously approved by the MDTE of approximately \$140 Million by more than \$6 Million over the life of the Agreement.

In addition to MDTE approval, the Agreement between FG&E and Select is subject to Federal Energy Regulatory Commission (FERC) approval.

The financial impact of FG&E's power supply divestiture process was reported on Unitil Corporation's Form 8-K and 1998 Form 10-K filed with the Securities and Exchange Commission earlier this year. Estimated Regulatory Assets, based on transition charges to be collected, were recorded and offset by the recognition of certain liabilities related to power supply contracts and generation assets.

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.

Contact
George Gantz
gantz@unitil.com

Corporate Office
Liberty Lane West
Hampton, NH 03842-1720
800/999-6501