



Unitil/FG&E files a Redesigned Economic Development Business Rate

May 17, 1999

Hampton, NH; May 17, 1999: Unitil/Fitchburg Gas and Electric Light Company (AMEX:UTL) filed a redesigned economic development business electric rate with the Massachusetts Department of Telecommunications and Energy for their approval.

The rate, called the New Energy Bank Program, serves the dual purposes of preserving the benefits of the former Energy Bank program for FG&E business customers, while establishing more effective incentives for future economic growth. The earlier Energy Bank program, initiated in 1995, was effectively eliminated by electric restructuring. A recent study found that the Energy Bank program contributed to business expansion by several manufacturing companies, with an overall benefit of 470 new jobs and \$30 million in new economic activity in the Fitchburg area.

This filing is the result of the efforts of a coalition of customers, business leaders and public officials who worked together with Unitil/FG&E to revise its economic development electric rate.

"North Central Massachusetts is competing with other regions of the state and the country in its attempt to attract new business and to encourage existing businesses to expand here rather than relocate. The Fitchburg-Leominster region has suffered particularly as a result of its historically heavy manufacturing base," said Fitchburg Mayor Mary H. Whitney. "We are attempting to put together a package which will sustain existing business and attract new business, including taxes, utility rates and other incentives. FG&E needs a viable economic development rate as part of our community's overall package to attract new business and retain existing businesses."

The New Energy Bank Program offers lower transition and distribution electric rates to both the former Energy Bank customers and other business customers who bring new electric load into the FG&E service territory. These customers, by virtue of their expansion will provide growth, jobs and added revenue to the Fitchburg community.

"It is my opinion that New Energy Bank Service will encourage economic growth and stability in North Central Massachusetts," said Massachusetts Senator Robert A. Antonioni. "When new business locates in the area, the economic effect of the new jobs created reverberates in real estate, retail and wholesale trade markets."

"The New Energy Bank program is a unique solution to an unintended consequence of electric restructuring that affected four major businesses in the Fitchburg area. It also creates improved incentives for the community's economic growth." said Bob Schoenberger, Unitil CEO. "Supporting the New Energy Bank program is good public policy. We ask the MDTE to provide speedy approval for this program, which will contribute to making the Fitchburg area an even better place to live and work."

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.

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