FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1999

Commission File Number 1-8858

Unitil Corporation
(Exact name of registrant as specified in its charter)

New Hampshire	02-0381573
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6 Liberty Lane West, Hampton, New Hampshire	03842
(Address of principal executive office)	(Zip Code)

(603) 772-0775
(Registrant's telephone number, including area code)

NONE
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 1, 1998
Common Stock, No par value	4,691,910 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

INDEX

PART 1. FINANCIAL INFORMATION

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(000's except common shares and per share data)
(UNAUDITED)

	Three Months Ended March 31, 1999	1998
Operating Revenues:		
Electric	$36,184	$37,659
Gas	6,156	6,326
Other	7	8
Total Operating Revenues	42,347	43,993
Operating Expenses:		
Fuel and Purchased Power	22,906	25,142
Gas Purchased for Resale	3,178	3,595
Operation and Maintenance	5,937	5,630
Depreciation and Amortization	2,935	2,330
Provisions for Taxes:		
Local Property and Other	1,465	1,407
Federal and State Income	1,375	1,370
Total Operating Expenses	37,796	39,474
Operating Income	4,551	4,519
Non-Operating Expense, Net	12	44
Income Before Interest Expense	4,539	4,475
Interest Expense, Net	1,795	1,853
Net Income	2,744	2,622
Less Dividends on Preferred Stock	68	69
Net Income Applicable to Common Stock	$2,676	$2,553
Average Common Shares Outstanding	4,621,042	4,478,334
Basic Earnings Per Share	$0.58	$0.57
Diluted Earnings Per Share	$0.58	$0.56
Dividends Declared per Share of Common Stock (Note 1)	$0.69	$0.68

(The accompanying notes are an integral part of these statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (000's)

	(UNAUDITED) March 31, 1999	1998	(AUDITED) December 31, 1998
Utility Plant:			
Electric	$154,697	$168,631	$152,940
Gas	32,234	30,686	32,622
Common	21,034	19,757	20,876
Construction Work in Progress	2,686	3,052	3,024
Utility Plant	210,651	222,126	209,462
Less: Accumulated Depreciation	63,946	69,915	63,428
Net Utility Plant	146,705	152,211	146,034
Current Assets:			
Cash	3,344	3,252	4,083
Accounts Receivable - Less Allowance for Doubtful Accounts of $557, $669 and $646	18,217	17,600	15,999
Materials and Supplies	2,297	2,043	2,962
Prepayments	613	763	1,147
Accrued Revenue	1,938	2,905	5,322
Total Current Assets	26,409	26,563	29,513
Noncurrent Assets:			
Regulatory Assets	162,490	23,446	163,034
Prepaid Pension Costs	8,690	8,240	8,591
Debt Issuance Costs	1,387	903	1,320

Other Noncurrent Assets	30,078	24,874	27,287
Total Noncurrent Assets	202,645	57,463	200,232
TOTAL	$375,759	$236,237	$375,779

(The accompanying notes are an integral part of these statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.) (000's)

	(UNAUDITED) March 31, 1999	1998	(AUDITED) December 31, 1998
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	$75,867	$71,720	$75,351
Preferred Stock, Non-Redeemable, Non-Cumulative	225	225	225
Preferred Stock, Redeemable, Cumulative	3,598	3,655	3,618
Long-Term Debt, Less Current Portion	85,061	60,771	74,047
Total Capitalization	164,751	136,371	153,241
Current Liabilities:			
Long-Term Debt, Current Portion	1,180	4,537	1,175
Capitalized Leases, Current Portion	917	1,227	907
Accounts Payable	12,354	15,865	11,382
Short-Term Debt	3,375	15,300	20,000
Dividends Declared and Payable	1,855	1,784	232
Refundable Customer Deposits	1,334	1,744	1,293
Taxes Payable (Refundable)	1,510	1,270	(1,056)
Interest Payable	1,344	1,203	841
Other Current Liabilities	2,868	3,018	2,776
Total Current Liabilities	26,737	45,948	37,550
Deferred Income Taxes	42,477	42,127	43,027
Noncurrent Liabilities:			
Power Supply Contract Obligations	129,688	---	129,688
Capitalized Lease, Less Current Portion	4,217	4,136	4,287
Other Noncurrent Liabilities	7,889	7,655	7,986
Total Noncurrent Liabilities	141,794	11,791	141,961
TOTAL	$375,759	$236,237	$375,779

(The accompanying notes are an integral part of these statements.)
UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (000's)
(UNAUDITED)

	Three Months Ended March 31, 1999	1998
Cash Flows from Operating Activities:		
Net Income	$2,744	$2,622
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	2,949	2,340
Deferred Taxes Provision	(443)	99
Amortization of Investment Tax Credit	(94)	(53)
Changes in Working Capital:		
Accounts Receivable	(2,218)	(711)
Materials and Supplies	665	620
Prepayments	534	(449)
Accrued Revenue	3,383	3,891
Accounts Payable	972	1,131
Refundable Customer Deposits	41	(443)
Taxes and Interest Payable	3,069	1,939
Other, Net	(1,894)	(188)
Net Cash Provided by Operating Activities	9,708	10,798

Cash Flows Used In Investing Activities:

Acquisition of Property, Plant and Equipment	(2,752)	(2,958)
Other Property and Investments	(3,097)	---
Cash Used in Investing Activities	(5,849)	(2,958)
Cash Flows from Financing Activities:		
Net Decrease in Short-Term Debt	(16,625)	(2,700)
Proceeds from Issuance of Long-Term Debt	12,000	---
Repayment of Long-Term Debt	(980)	(3,057)
Dividends Paid	(1,642)	(1,548)
Issuance of Common Stock	2,729	644
Retirement of Preferred Stock	(20)	(11)
Repayment of Capital Lease Obligations	(60)	(253)
Cash Used in Financing Activities	(4,598)	(6,925)
Net (Decrease) Increase in Cash	(739)	915
Cash at Beginning of Year	4,083	2,337
Cash at March 31	$3,344	$3,252
Supplemental Cash Flow Information:		
Interest Paid	$1,398	$1,773
Federal Income Taxes Paid	---	---

(The accompanying notes are an integral part of these statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1.

Dividends Declared Per Share:

Two regular quarterly common stock dividends were declared during the first quarter of 1999 and 1998.

Common Stock Dividend:

On March 18, 1999, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.345 per share which is payable on May 14, 1999 to shareholders of record as of April 30, 1999.

On January 19, 1999, the Company's Board of Directors approved a 1.5% increase to the dividend rate on its common stock. The new regular dividend rate is $0.345 per share and was payable February 15, 1999 to shareholders of record as of February 1, 1999.

Note 2.

Common Stock:

During the first quarter of 1999, the Company sold 7,528 shares of Common Stock, at an average price of $24.80 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of $186,687 were used to reduce short-term borrowings.

Note 3.

Preferred Stock:

Details on preferred stock at March 31, 1999, March 31, 1998 and December 31, 1998 are shown below (000's):

	March 31, 1999	March 31, 1998	December 31, 1998
Preferred Stock:			
Non-Redeemable, Non-Cumulative,			
6%, $100 Par Value	$225	$225	$225
Redeemable, Cumulative,			
$100 Par Value:			
8.70% Series	215	215	215
5% Dividend Series	91	91	91
6% Dividend Series	168	168	168
8.75% Dividend Series	333	333	333
8.25% Dividend Series	386	406	406
5.125% Dividend Series	998	1,035	998
8% Dividend Series	1,407	1,407	1,407
Total Redeemable Preferred Stock	3,598	3,655	3,618

Total Preferred Stock	$3,823	$3,880	$3,843

Note 4.

Long-term Debt:

Details on long-term debt at March 31, 1999, March 31, 1998 and December 31, 1998 are shown below (000's):

	March 31, 1999	March 31, 1998	December 31, 1998
Concord Electric Company:			
First Mortgage Bonds:			
Series H, 9.43%, due September 1, 2003	---	5,200	---
Series I, 8.49%, due October 14, 2024	6,000	6,000	6,000
Series J, 6.96%, due September 1, 1998	10,000	---	10,000
Exeter & Hampton Electric Company:			
First Mortgage Bonds:			
Series H, 8.50%, due December 15, 2002	---	700	---
Series J, 9.43%, due September 1, 2003	---	4,000	---
Series K, 8.49%, due October 14, 2024	9,000	9,000	9,000
Series L, 6.96%, due September 1, 2028	10,000	---	10,000
Fitchburg Gas and Electric Light Company:			
Promissory Notes:			
8.55% Notes due March 31, 2004	13,000	14,000	14,000
6.75% Notes due November 30, 2023	19,000	19,000	19,000
7.37% Notes due January 15, 2029	12,000	---	---
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes due August 1, 2017	7,241	7,408	7,222
Total	86,241	65,308	75,222
Less: Installments due within one year	1,180	4,537	1,175
Total Long-term Debt	$85,061	$60,771	$74,047

Note 5.

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the consolidated financial position as of March 31, 1999 and 1998; and results of operations for the three months ended March 31, 1999 and 1998; and consolidated statements of cash flows for the three months ended March 31, 1999 and 1998. Reclassifications are made periodically to amounts previously reported to conform with current year presentation.

The results of operations for the three months ended March 31, 1999 and 1998 are not necessarily indicative of the results to be expected for the full year.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

EARNINGS

Basic earnings per average common share improved to $0.58 for the first quarter of 1999, up from $0.57 for the first quarter of 1998. This increase of $0.01 per share reflects higher electric and gas sales during the first quarter of 1999. Electric and gas sales to commercial and industrial customers were stronger in 1999, due to the healthy regional economy. Gas sales to residential customers were slightly weaker than the prior year, due to the mild early winter weather. Temperatures in our service territories were almost as warm as the record-setting warm winter weather in the first quarter of 1998. Also impacting earnings in the first quarter of 1999 were higher Depreciation and Operation and Maintenance expenses which were partially offset by lower Interest expense.

As shown in the Energy Sales Table on this page, total electric KWH sales for the quarter were up 5.7% and total Firm Therm gas sales were up 4.7%

compared to the prior year. Sales to commercial and industrial customers were 7.8% and 13.1% higher for electric KWH and gas Firm Therm sales, respectively, in the first quarter of 1999 compared to 1998. Electric KWH sales to residential customers were 2.3% higher than the prior year. However, firm therm gas sales to residential customers were down 1.8% from prior year primarily because of the warm gas heating season early this year.

Total Operating Revenues were $42.3 million in the first quarter of 1999 compared to $44.0 million in the prior year, due to the Company's lower electric rates in 1999. Despite the increase in sales volumes, electric revenues were down, as a result of an 11% reduction in energy supply prices (which are passed through to customers) and a 10% rate reduction to our Massachusetts customers from electric utility industry restructuring. Similarly, the higher Firm Therm gas sales volume resulted in relatively flat gas revenues compared to prior year, because of lower gas supply prices in 1999. These lower gas supply prices offset an approved gas rate increase implemented by the Company on December 1, 1998.

Energy Sales (000's)

	Three Months Ended		
KWH Sales	3/31/99	3/31/98	Change
Residential	154,673	151,129	2.3%
Commercial/Industrial	259,533	240,858	7.8%
Total KWH Sales	414,206	391,987	5.7%
Electric Revenue			
Residential	14,664	15,678	(6.5%)
Commercial/Industrial	21,520	21,981	(2.1%)
Total Electric Revenue	36,184	37,659	(3.9%)
Firm Therm Sales	5,394	5,493	(1.8%)
Residential	4,846	4,283	13.1%
Commercial/Industrial	10,240	9,776	4.7%
Total Firm Therm Sales			
Gas Revenue			
Residential	3,250	3,457	(6.0%)
Commercial/Industrial	2,580	2,358	9.4%
Total Firm Gas Sales	5,830	5,815	0.3%
Interruptible Gas Sales	326	511	(36.2%)
Total Gas Revenue	6,156	6,326	(2.7%)

During the first quarter, electric and gas energy supply costs were driven down by lower oil prices. These lower costs are reflected in lower Fuel and Purchased Power and lower Gas Purchased for Resale expenses. Both electric and gas energy supply costs are collected from customers through periodic cost recovery mechanisms. Therefore, changes in energy supply prices do not affect the Company's net income, as they mirror changes in energy supply costs.

Operation and Maintenance expenses increased over the prior year, due to the costs to implement and operate electric utility industry restructuring in Massachusetts. Similarly, the increase in Depreciation and Amortization expenses was a result of the accelerated write-off of electric generating assets, in accordance with Fitchburg Gas and Electric Light Company's ("FG&E") electric utility industry restructuring plan, which was approved on January 15, 1999. FG&E is Unitil's Electric and Gas Utility subsidiary in Massachusetts. Interest expense was lower in the first quarter of 1999, due to decreased borrowings and lower interest rates.

In March 1999 Unitil acquired a minority interest in North American Power Brokers, Inc., ("NAP"), for $3 million in cash. Unitil will be represented on NAP's Board of Directors and will play an active role in the strategic direction of NAP. At the same time, Unitil Resources, Inc. (URI) licensed NAP's innovative Internet-based technology for brokering electricity and natural gas sales between retail energy consumers and energy suppliers. URI will offer the retail energy electronic commerce system developed and owned by NAP to medium and large commercial and industrial customers, under the name "Usource". Usource will allow URI to deliver the price benefits of competitive supplier bidding to retail energy consumers, without URI undertaking the financial risk of commodity ownership.

The Company's Balance Sheet reflects the recording at December 31, 1998, of significant Regulatory Assets related to the approval by the Massachusetts Department of Telecommunications and Energy ("MDTE") of FG&E's Electric Restructuring Plan. FG&E has been allowed full recovery of its Transition Costs, estimated at $140 million, related to electric utility industry restructuring in Massachusetts. FG&E's Transition Costs include approximately $11 million of Net Book value of owned electric generation assets and approximately $129 million representing the Company's estimate, based on bids received, of the divestiture of FG&E's Power Supply contract portfolio.

Basic earnings per average common share for the 12 months ended March 31, 1999 and 1998, were $1.78 and $1.72, respectively. The increase is attributable to higher Electric and Gas margins, lower Interest Expense, and lower effective Income Tax rates which were partially offset by higher Operation and Maintenance and Depreciation and Amortization expenses.

RESTRUCTURING AND COMPETITION

Regulatory activity surrounding restructuring and competition continues in both Massachusetts and New Hampshire. March 1, 1998 was "Choice Date" or the beginning of competition for all electric consumers in Massachusetts, while New Hampshire's "Choice Date" slipped past both the proposed date of January 1, 1998, and the legislature's mandated July 1, 1998. Currently, approximately 10% of New Hampshire electric consumers can choose their electric supplier. The ability to choose for the remaining 90% is currently the subject of a federal court preliminary injunction (see below).

Massachusetts gas industry restructuring plans continue to be under development. The MDTE, gas utilities and other stakeholders began a collaborative effort in late 1997 to develop solutions to the many issues that surround restructuring the local natural gas distribution business.

Unitil has been preparing for electric and gas industry restructuring by developing transition plans that will move its utility subsidiaries into this new market structure in a way that will ensure fairness in the treatment of the Company's assets and obligations that are dedicated to the current regulated franchises and, at the same time, provide choice for all customers.

Massachusetts (Electric)- On January 15, 1999, the MDTE gave final approval to FG&E's restructuring plan with certain modifications. The Plan provides customers with: a) a choice of energy supplier; b) an option to purchase Standard Offer Service (i.e. state-mandated energy service) provided by FG&E at regulated rates for up to seven years; and c) a cumulative 15% rate reduction. The Plan also provides for FG&E to divest generation assets and its portfolio of purchased power contracts. The Company will be afforded full recovery of any transition costs through a non-bypassable retail Transition Charge.

Pursuant to the Plan, on October 30, 1998, FG&E filed with the MDTE a proposed contract with Constellation Power Services Inc. for provision of Standard Offer Service. The MDTE's January 15, 1999 Order approves the FG&E/Constellation contract, and service thereunder commenced on March 1, 1999, and is scheduled to continue through February 28, 2005. This contract is the result of the first successful Standard Offer auction conducted in Massachusetts.

The January 15 Order also approved FG&E's power supply divestiture plan for its interest in three generating units and four long-term power supply contracts. A contract for the sale of FG&E's interest in the New Haven Harbor plant was filed with the MDTE on November 20, 1998. The MDTE approved the contract on March 31, 1999. A contract for the sale of FG&E's remaining generating assets and purchased power contracts is expected to be filed with the MDTE in the near future. All such contracts are subject to MDTE approval.

The first annual reconciliation filing was made with the MDTE in May of 1999. As a result of the reconciliations, FG&E is seeking to raise its transmission charges and to reduce its transition charges effective June 1, 1999. The MDTE's decision regarding this revenue neutral filing is pending.

Massachusetts (Gas) -In mid-1997, the MDTE directed all Massachusetts natural gas Local Distribution Companies (LDCs) to form a collaborative with other stakeholders to develop common principles and appropriate regulations for the unbundling of gas service, and directed FG&E and four other LDCs to file unbundled gas rates for its review. FG&E's unbundled gas rates were approved by the MDTE and implemented in November 1998.

On February 1, 1999, the MDTE issued an order in which it determined that the LDCs would continue to have an obligation to provide gas supply and delivery services for another five years, with a review after three years. That order also set forth the MDTE's decision regarding release by LDCs of their pipeline capacity contracts to competitive marketers. On March 24, 1999 the LDCs and other stakeholders filed a settlement with the MDTE which set forth rules for implementing an interim firm transportation service through October 31, 2000. The interim service will ultimatly be superceded by the permanent transportation service, beginning as early as November 1, 1999. The MDTE approved the settlement on April 2, 1999. On May 17, 1999, FG&E made a compliance filing with the MDTE to implement the interim firm gas transportation service for its largest general service customers effective June 1, 1999. The MDTE's decision is pending.

New Hampshire - On February 28, 1997, the New Hampshire Public Utilities Commission (NHPUC) issued its Final Plan for transition to a competitive electric market in New Hampshire. The order allowed Concord Electric Company and Exeter & Hampton Electric Company, Unitil's New Hampshire retail distribution utilities, to recover 100% of "stranded" costs for a two-year period, but excluded recovery of certain administrative-related charges.

Northeast Utilities' affiliate, Public Service Company of New Hampshire, appealed the NHPUC order in Federal District Court. A temporary restraining order was issued on March 10, 1997. In June 1997, Unitil was admitted as a Plaintiff Intervenor in the Federal Court proceeding. On June 9, 1998, the Federal Court issued an injunction continuing the freeze on NHPUC efforts to implement restructuring. Various interlocutory appeals and pre-trial disputes have delayed this proceeding and no date has been scheduled for a trial. However, at a preliminary hearing on April 7, 1999, the Judge reiterated the continuining injunction against implementation by the NHPUC. The Company will vigorously pursue its action in the federal court and simultaneously look for ways to resolve issues and bring forth choice to its retail customers.

In September 1998, the Company reached a comprehensive restructuring settlement with key parties and filed this voluntary Agreement with the NHPUC. The Agreement was modified on October 20, 1998. In oral deliberations on November 2 and November 18, 1998, the NHPUC imposed conditions to approval of the Settlement which were unacceptable to the Company, and the Settlement was subsequently withdrawn. The component of the Agreement dealing with wholesale rates was filed with the Federal Energy Regulatory Commission ("FERC") in September 1998, and approved by the FERC in early November. However, implementation will not occur, as the changes were conditioned upon approval by the NHPUC. Unitil continues to participate actively in all proceedings and in several NHPUC-established working groups which will define details of the transition to competition and customer choice.

Rate Cases -The last formal regulatory hearings to increase base electric rates for Unitil's three retail operating subsidiaries occurred in 1985 for Concord Electric Company, 1984 for Fitchburg Gas and Electric Light Company and 1981 for Exeter & Hampton Electric Company.

On May 15, 1998, FG&E filed a gas base rate case with the MDTE. After evidentiary hearings, the MDTE issued an Order allowing FG&E to establish new rates, effective November 30, 1998, that would produce an annual increase of approximately $1.0 million in gas revenues. However, as part of the proceeding, the Attorney General of the Commonwealth of Massachusetts alleged that FG&E had double-collected fuel inventory finance charges, since 1987, and requested that the MDTE require FG&E to refund approximately $1.6 million to its customers. The Company believes that the Attorney General's claim is without merit and that a refund is not justified or warranted. The MDTE stated its intent to open a separate proceeding to investigate the Attorney General's claim.

A majority of the Company's operating revenues are collected under various periodic rate adjustment mechanisms including fuel, purchased power, cost of gas and energy efficiency program cost recovery mechanisms. Restructuring will continue to change the methods of how certain costs are recovered from customers and from suppliers. Transition costs, Standard Offer Service and Default Service power supply costs, internal and external transmission service costs and energy efficiency and renewable energy program costs for FG&E are being recovered via fully reconciling rate adjustment mechanisms in Massachusetts.

Millstone Unit No. 3- FG&E has a 0.217% nonoperating ownership in the Millstone Unit No. 3 (Millstone 3) nuclear generating unit which supplies it with 2.49 megawatts (MW) of electric capacity. In January 1996, the Nuclear Regulatory Commission (NRC) placed Millstone 3 on its Watch List, which calls for increased NRC inspection attention. On March 30, 1996, as a result of an engineering evaluation completed by the operator, Northeast Utilities, Millstone 3 was taken out of service. NRC authorization for restart was given on June 29, 1998. Millstone 3 began producing electric power in early July, 1998 and reached full output on July 15, 1998. The unit remains on the NRC's Watch List.

During the period that Millstone 3 was out of service, FG&E continued to incur its proportionate share of the unit's ongoing Operations and Maintenance (O&M) costs, and may incur additional O&M costs and capital expenditures to meet NRC requirements. FG&E also incurred costs to replace the power that was expected to be generated by the unit. During the outage, FG&E had been incurring approximately $35,000 per month in replacement power costs, and had been recovering those costs through its fuel adjustment clause, which will be subject to review and approval by the MDTE.

In August 1997, FG&E, in concert with other non-operating joint owners, filed a demand for arbitration in Connecticut and a lawsuit in Massachusetts, in an effort to recover costs associated with the extended unplanned shutdown. The arbitration and legal cases are proceeding.

YEAR 2000 SOFTWARE COMPLIANCE DISCUSSION

The Company recognizes the need to ensure its operations are not adversely affected by software or device failures related to the Year 2000 date recognition problem, (the "Y2K Issues"). Specifically, Y2K Issues would arise when software applications, or devices with embedded chips, fail to correctly recognize and process the year 2000 and beyond. Certain software applications and devices are certified to recognize and process date references to the year 2000 and beyond and they are deemed to be Year 2000 compliant, ("Year 2000 Compliance"). Potential software failures could create incorrect calculations, among other errors, and they present a risk to the integrity of our Company's financial systems and the reliability of our operating systems. In order to minimize the risk of disruption to our business operations, the Company is taking the actions described below, including communicating with suppliers, dealers, financial institutions and others with which it does business, to coordinate the identification, evaluation, remediation and testing of possible Y2K Issues which may affect the Company.

The Company has established a centralized task force to identify and implement necessary changes to the Company's internal computer systems, controlling hardware devices and software applications in order to achieve Year 2000 Compliance for those systems. The remediation of Y2K Issues and testing of all critical components of the Company's internal systems is scheduled to be completed by June 30, 1999.

The Company has also established processes for evaluating and managing the risks and possible costs associated with Y2K Issues which may exist in systems external to the Company's operations, but could affect the Company's operations indirectly. The Company has already directed efforts to notify our critical vendors and suppliers about Y2K Issues which may affect our operations, and most are already providing important information about the Year 2000 readiness of their organizations. Testing of certain critical systems has already begun, in conjunction with our key suppliers and vendors, and the Company is planning to develop contingency plans in circumstances where assurance of Year 2000 Compliance cannot be obtained.

The Company currently estimates it will invest in the range of $250,000 to $500,000 plus internal costs, over the cost of normal software upgrades and replacements to achieve Year 2000 Compliance. These additional capital outlays include costs to replace certain devices and software, and the costs for consultants to assist us with software programming and testing.

Unitil relies on the proper operation of a regional network of systems and devices to transport and distribute electricity and gas to its customers. Any disruption in those systems caused by Y2K Issues could interrupt the reliable delivery of electric and gas service through our Distribution Operating Companies. Some of these software systems and devices belong to other companies and are beyond the control of Unitil to ensure that they are properly remediated for Year 2000. However, several agencies, including the Department of Energy, The New England ISO, and The National Electricity Reliability Council, have active Year 2000 programs in place. These programs will ensure that member companies are actively and comprehensively dealing with any Year 2000 Issues in their supply, generation, transportation and distribution facilities and systems. Unitil participates in these groups and currently believes that satisfactory progress is being made and will continue to be made to ensure a reliable supply and delivery of energy. Furthermore, these groups plan to establish contingency plans to cover delivery difficulties during key Year 2000 dates. The Company also plans to work with local, state and regional agencies and other utility companies to ensure that appropriate contingency plans are in place for energy supply and delivery systems which could be affected by Year 2000 difficulties.

In addition, while the Company currently anticipates that its own mission-critical systems will be Year 2000 Compliant in a timely fashion, it cannot guarantee the compliance of other systems operated by other companies upon which it depends. For example, the Company's ability to provide electricity to its customers depends upon the regional electric transmission grid which connects the systems of neighboring utilities to provide electric power for the region. If one company's system is not Year 2000 Compliant, then a failure could impact all providers within the grid, including Unitil. Similarly, the Company's gas operations depend upon natural gas pipelines that it does not own or control, and any Year 2000 noncompliance associated with these pipelines may affect the Company's ability to provide natural gas to its customers. Failure to achieve Year 2000 readiness could have a material effect on the Company's results of operations, financial position and cash flows.

CAPITAL REQUIREMENTS

Capital expenditures for the three months ended March 31, 1999 were approximately $2.8 million. This compares to $3.0 million during the same period last year. Capital expenditures for the year 1999 are estimated to be approximately $15.7 million as compared to $14.5 million for 1998. This projection reflects normal capital expenditures for utility system expansions, replacements and other improvements.

LEGAL PROCEEDINGS

The Company is involved in legal and administrative proceedings and claims of various types which arise in the ordinary course of business. In the opinion of the Company's management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

FORWARD-LOOKING INFORMATION

This report 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.

PART I. EXHIBIT 11.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING
(000's except for per share data)
(UNAUDITED)

BASIC EARNING PER SHARE	Three Months Ended March 31, 1999	 1998
Net Income	$2,744	$2,622
Less: Dividend Requirement on Preferred Stock	68	69
Net Income Applicable to Common Stock	$2,676	$2,553
Average Number of Common Shares Outstanding	4,621	4,478
Basic Earnings Per Common Share	$0.58	$0.57

DILUTED EARNINGS PER SHARE	Three Months Ended March 31, 1999	 1998
Net Income	$2,744	$2,622
Less: Dividend Requirement on Preferred Stock	68	69

Net Income Applicable to Common Stock	$2,676	$2,553
Average Number of Common Shares Outstanding	4,629	4,590
Diluted Earnings Per Common Share	$0.58	$0.56

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith

(b) Reports on Form 8-K

On January 29, 1999 Unitil Corporation filed Form 8-K related to the approval of Fitchburg Gas and Electric Light Company's Electric Restructuring Plan by the Massachusetts Department of Telecommunications and Energy.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL CORPORATION
(Registrant)

Date: May 14, 1999 /s/ Anthony J. Baratta, Jr.
Anthony J. Baratta, Jr.
Chief Financial Officer

Date: May 14, 1999 /s/ Mark H. Collin
Mark H. Collin
Treasurer