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, 1998

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	4,491,919 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,	1998	1997
Operating Revenues:		
Electric	$37,659	$38,058
Gas	6,326	7,266
Other	8	8
Total Operating Revenues	43,993	45,332
Operating Expenses:		
Fuel and Purchased Power	25,142	25,472
Gas Purchased for Resale	3,595	4,366
Operating and Maintenance	5,630	5,647
Depreciation	1,923	1,902
Amort. of Cost of Abandoned Properties	407	401
Provisions for Taxes:		
Local Property and Other	1,407	1,371
Federal and State Income	1,370	1,558
Total Operating Expenses	39,474	40,717
Operating Income	4,519	4,615
Non-Operating Expense	44	6
Income Before Interest Expense	4,475	4,609
Interest Expense, Net	1,853	1,695
Net Income	2,622	2,914
Less Dividends on Preferred Stock	69	69
Net Income Applicable to Common Stock	$2,553	$2,845
Average Common Shares Outstanding	4,478,334	4,389,566
Basic Earnings Per Share	$0.57	$0.65
Diluted Earnings Per Share	$0.56	$0.64
Dividends Declared per Share of Common Stock (Note 1)	$0.68	$0.67

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

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

	(UNAUDITED) March 31, 1998	(UNAUDITED) March 31, 1997	(AUDITED) December 31, 1997
ASSETS:			
Utility Plant:			
Electric	$168,631	$160,109	$166,636
Gas	30,686	28,887	30,473
Common	19,757	18,641	19,689
Construction Work in Progress	3,052	2,376	2,677
Utility Plant	222,126	210,013	219,475
Less: Accum. Depreciation	69,915	65,518	68,360
Net Utility Plant	152,211	144,495	151,115
Other Property & Investments	42	42	42
Current Assets:			
Cash	3,252	3,270	2,337
Accounts Receivable - Less Allow. for Doubtful Accounts of $669, $697 and $653	17,600	17,705	16,890
Materials and Supplies	2,043	1,819	2,663
Prepayments	763	773	434
Accrued Revenue	2,905	6,436	6,796
Total Current Assets	26,563	30,003	29,120

Deferred Assets:			
Debt Issuance Costs	903	815	918
Cost of Abandoned Properties	23,446	25,031	23,885
Prepaid Pension Costs	8,240	7,526	8,120
Other Deferred Assets	24,832	23,900	24,777
Total Deferred Assets	57,421	57,272	57,700
TOTAL	$236,237	$231,812	$237,977

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

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

	(UNAUDITED) March 31, 1998	1997	(AUDITED) December 31, 1997
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	$71,720	$69,704	$71,644
Preferred Stock, Non-Redeemable, Non-Cumulative	225	225	225
Preferred Stock, Redeemable, Cumulative	3,655	3,666	3,666
Long-Term Debt, Less Current Portion	60,771	57,900	63,896
Total Capitalization	136,371	131,495	139,431
Capitalized Leases, Less Current Portion	4,136	4,449	4,733
Current Liabilities:			
Long-Term Debt, Current Portion	4,537	4,272	4,470
Capitalized Leases, Current Portion	1,227	903	883
Accounts Payable	15,865	14,858	14,734
Short-Term Debt	15,300	17,550	18,000
Dividends Declared and Payable	1,784	197	212
Refundable Customer Deposits	1,744	1,644	2,187
Taxes Payable (Refundable)	1,270	1,937	(554)
Interest Payable	1,203	1,427	1,087
Other Current Liabilities	3,018	2,532	2,635
Total Current Liabilities	45,948	45,320	43,654
Deferred Liabilities:			
Investment Tax Credits	1,384	1,566	1,437
Other Deferred Liabilities	7,655	8,442	7,864
Total Deferred Liabilities	9,039	10,008	9,301
Deferred Income Taxes	40,743	40,540	40,858
TOTAL	$236,237	$231,812	$237,977

(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, 1998	1997
Cash Flows from Operating Activities:		
Net Income	$2,622	$2,914
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,324	2,303
Deferred Taxes Provided	99	(9)
Amortization of Investment Tax Credit	(53)	(43)
Amortization for Debt Issuance Costs	16	14
Provision of Doubtful Accounts	189	222
Changes in Assets and Liabilities:		

(Increase) Decrease in:		
Accounts Receivable	(900)	(1,544)
Materials and Supplies	620	660
Prepayments and Prepaid Pension	(449)	(470)
Accrued Revenue	3,891	2,423
Increase (Decrease) in:		
Accounts Payable	1,131	(245)
Refundable Customer Deposits	(443)	58
Taxes and Interest Payable	1,939	2,028
Other, Net	(188)	140
Net Cash Provided by Operating Activities	10,798	8,451
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(2,958)	(2,571)
Net Cash Used in Investing Activities	(2,958)	(2,571)
Cash Flows from Financing Activities:		
Net Decrease in Short-Term Debt	(2,700)	(3,850)
Repayment of Long-Term Debt	(3,057)	(39)
Dividends Paid	(1,548)	(1,531)
Issuance of Common Stock	644	229
Retirement of Preferred Stock	(11)	
Repayment of Capital Lease Obligations	(253)	(322)
Net Cash Used in Financing Activities	(6,925)	(5,513)
Net Increase in Cash	915	367
Cash at Beginning of Year	2,337	2,903
Cash at March 31,	$3,252	$3,270

Supplemental Cash Flow Information:		
Interest Paid	$1,773	$1,849
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 1998 and 1997.

Common Stock Dividend:

On March 5, 1998, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.34 per share which is payable on May 15, 1998 to shareholders of record as of May 1, 1998.

On January 20, 1998, 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 $0.34 per share and was payable February 13, 1998 to shareholders of record as of January 30, 1998.

Note 2.

Common Stock:

During the first quarter of 1998, the Company sold 9,849 shares of Common Stock, at an average price of $25.32 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of $249,412 were used to reduce short-term borrowings.

Note 3.

Preferred Stock:

Details on preferred stock at March 31, 1998, March 31, 1997 and December 31, 1997 are shown below (000's):

	March 31, 1998	March 31, 1997	December 31, 1997
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	344	344
8.25% Dividend Series	406	406	406
5.125% Dividend Series	1,035	1,035	1,035
8% Dividend Series	1,407	1,407	1,407
Total Redeemable Preferred Stock	3,655	3,666	3,666
Total Preferred Stock	$3,880	$3,891	$3,891

Note 4.

Long-term Debt:

Details on long-term debt at March 31, 1998, March 31, 1997 and December 31, 1997 are shown below (000's):

	March 31, 1998	March 31, 1997	December 31, 1997
Concord Electric Company:			
First Mortgage Bonds:			
Series C, 6 3/4%, due Jan. 15, 1998	---	$1,520	$1,520
Series H, 9.43%, due Sept. 1, 2003	5,200	5,850	5,200
Series I, 8.49%, due Oct. 14, 2024	6,000	6,000	6,000
Exeter & Hampton Electric Company:			
First Mortgage Bonds:			
Series E, 6 3/4%, due Jan. 15, 1998	---	497	498
Series H, 8.50%, due Dec. 15, 2002	700	805	700
Series J, 9.43%, due Sept. 1, 2003	4,000	4,500	4,000
Series K, 8.49%, due Oct. 14, 2024	9,000	9,000	9,000
Fitchburg Gas and Electric Light Company:			
Promissory Notes:			
8.55% Notes due Mar. 31, 2004	14,000	15,000	15,000
6.75% Notes due Nov. 30, 2023	19,000	19,000	19,000
Unitil Realty Corporation:			
Senior Secured Notes:			
8.00% Notes due Aug. 1, 2017	7,408	---	7,448
Total	65,308	62,172	68,366
Less: Installments due within one year	4,537	4,272	4,470
Total Long-term Debt	$60,771	$57,900	$63,896

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, 1998 and 1997; and results of operations for the three months ended March 31, 1998 and 1997; and consolidated statements of cash flows for the three months ended March 31, 1998 and 1997. 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, 1998 and 1997 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 were $0.57 for the first quarter of 1998, versus $0.65 for the first quarter of 1997. This decrease of $0.08 per share, or 12%, primarily reflects lower electric and gas revenues billed following the warmest winter on record. The change also reflects the effects of deregulation and restructuring of the electric utility industry in Massachusetts, and higher interest expenses.

The weather in the first quarter, as measured by heating degree days, was 16%

warmer than normal and 7% warmer than last year. In Unitil's service territories, temperatures were at the highest level, ever, in the 103 years such data has been kept. As a result, kilowatt hour sales were relatively flat and gas firm therm sales, (most sensitive to weather) declined 4.7%. Revenues were also down because of lower peak billing demands for electricity during the milder winter.

On March 1, 1998, customers of Unitil's Massachusetts electric utility, Fitchburg Gas and Electric Light Company (FG&E), gained the right to choose their electric power supplier. At the same time, they also received a 10% retail rate discount under a statewide legislated mandate. (See RESTRUCTURING AND COMPETITION - ELECTRIC UTILITY INDUSTRY discussion below.)

Interest expense was higher for the quarter, due to increased borrowings and higher interest rates than the same period last year.

	Three Months Ended		
	3/31/98	3/31/97	% Change
Electric Sales and Revenue:			
Total KWH Sales	391,987	388,988	0.8 %
Distribution Revenue	$11,717	$12,553	(6.7)%
Energy Sales Revenue	25 942	25,505	1.7 %
Total Electric Revenue	$37,659	$38,058	(1.0)%
Gas Sales and Revenue:			
Total Firm Therm Sales	$9,776	$10,255	(4.7)%
Distribution Revenue	$2,667	$2,833	(5.9)%
Energy Sales Revenue	3,659	4,433	(17.5)%
Total Gas Revenue	$6,326	$7,266	(12.9)%
Other Revenue	8	8	(0.0)%
Total Revenue	$43,993	$45,332	(3.0)%

Total Operating Revenues for the Unitil System of companies decreased 3% to $44.0 million in the first quarter of 1998 from $45.3 million in the first quarter of 1997, as shown in the table on this page. Electric Distribution Revenues declined during the quarter by 6.7% to $11.7 million from $12.5 million in the first quarter of 1997. Electric and Gas Distribution Revenues are operating revenues which the Company realizes for the distribution and delivery of electricity and gas to its customers across the local distribution system. These types of revenues have a direct impact on net income.

Electric Energy Sales Revenues are operating revenues which are collected from customers as separate components of their monthly bill, and do not affect net income, as they normally mirror costs related to energy supply. As of March 1, 1998, the Company's Massachusetts customers now have a choice to secure their energy supply from competitive suppliers or to continue receiving energy services from the Company through standard offer and default services. Unitil expects revenues for the balance of 1998 to be negatively impacted by the effects of industry restructuring in Massachusetts.

Gas Distribution Revenues declined 5.9% for the quarter, to $2.7 million compared to $2.8 million in the same period last year. The decline reflects the lower consumption of energy during the warmer heating season. Gas Energy Sales Revenues are revenues collected under the Company's cost-of-gas adjustment mechanism, and do not affect net income.

RESTRUCTURING AND COMPETITION - ELECTRIC UTILITY INDUSTRY

Regulatory activity in both New Hampshire and Massachusetts continues to focus on deregulating the retail sale of electric energy. March 1, 1998 was the "Retail Access Date" or the beginning of competition in Massachusetts, while New Hampshire's "Choice Date" slipped past the proposed January 1, 1998, and probably will not make the legislature's mandated July 1, 1998. Both states' restructuring efforts have focused on allowing customers to choose their supplier of electricity from the competitive market, and have their local utility deliver that electricity over its distribution systems at regulated rates.

Massachusetts

On December 31, 1997, FG&E filed its restructuring plan (the "Plan") with the Massachusetts Department of Telecommunications and Energy (MDTE) as required by the Massachusetts restructuring law enacted in November, 1997.

The Plan provides customers with: a) choice of energy supplier; b) an optional transition energy service provided by FG&E at regulated rates for up to seven years; and c) a 10% price decrease. The MDTE conditionally approved the Plan for effect on March 1, 1998, and set a procedural schedule that, following evidentiary hearings, should result in final approval of the Plan by the MDTE in June, 1998. In the Plan, FG&E has proposed to divest of owned and leased generation units and its portfolio of purchased power contracts by year end 1998. Also under the Plan, to the extent that the divestiture fails to recoup the full cost of electric supply resources, the Company will be afforded full recovery of any shortfall through non-bypassable retail access charges.

When the Company receives a Final Order from the DTE on its Plan, the Company will be able to determine, in sufficient detail, the impact of deregulation on the generation portion of FG&E's business. At that point, the Company will be able to measure the effect of the Final Order on the generation portion of its business that will no longer be regulated and on the distribution portion of its business that will remain regulated. As a result, the Company may be required to stop applying the provisions of Statement of Financial Accouning Standards 71, "Accounting for the Effects of Certain Types of Regulation," to a portion of its business. Upon receiving the Final Order, the Company will review the measurement and recording of Regulatory Assets and Liabilities arising from the Final Order. Based upon settlements already reached between other Electric Utilities and the DTE in Massachusetts, the Company believes it will recover its generation investments and the above market portion of its power contract commitments through regulated cash flows to be realized from the distribution portion of FG&E's business.

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 (CECo) and Exeter & Hampton Electric Company (E&H), Unitil's New Hampshire based retail distribution utilities, to recover 100% of costs which will be "stranded" due to this restructuring, but also took positions undermining the legal basis for such recovery in the future. Northeast Utilities' affiliate, Public Service Company of New Hampshire, appealed the decision in Federal Court, which issued a temporary restraining order. In June 1997, Unitil was admitted as a Plaintiff Intervenor in this proceeding. On March 20, 1998, the NHPUC issued Order No. 22,875 affirming in part and modifying in part its February 29, 1997 Final Plan. The new NHPUC order required CECo, E&H and all other New Hampshire electric utilities except the Public Service Company of New Hampshire to submit a compliance filing by May 1, 1998. CECo and E&H submitted a response to the NHPUC's March 20 order on May 1 which included: a) unbundled delivery service rates; b) plans to implement the NHPUC affiliate rules when promulgated, miti gate stranded costs, implement low-income customer policies, meet the energy needs of special contract customers and implement data transfers electronically with suppliers; c) proposed tariffs for delivery services; and d) proposed terms and conditions for interfacing with competitive suppliers. Unitil continues to participate actively in all proceedings and in NHPUC-established working groups which will define the details of the transition to competition and customer choice. However, it now appears that competition will be delayed beyond the original legislative timetable of July 1, 1998.

The Company continues to work towards a comprehensive settlement of all restructuring issues for Unitil. In February, a Preliminary Agreement outlining the basic elements of such a settlement was executed with several parties, and discussions are continuing.

Unitil Resources, Inc., the Company's competitive market subsidiary, continues to participate in the New Hampshire Retail Competition Pilot Program (Pilot Program), which began in May 1996.

MILLSTONE UNIT NO. 3

Unitil's Massachusetts operating subsidiary, Fitchburg Gas and Electric Light Company, 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 as a Category 2 facility, which calls for increased NRC inspection attention. In March 1996 the NRC requested additional information about the operation of the unit from Northeast Utilities companies (NU), which operate the unit. As a result of an engineering evaluation completed by NU, Millstone 3 was taken out of service on March 30, 1996. The NRC later informed NU, in a letter dated June 28, 1996, that it had reclassified Millstone 3 as a Category 3 facility. The NRC assigns this rating to plants which it deems to have significant weaknesses that warrant maintaining the plant in shutdown condition until the operator demonstrates that adequate programs have been established and implemented to ensure substantial improvement in the operation of the plant. The NRC's letter also informed NU that this designation would require the NRC staff to obtain NRC approval by vote prior to a restart of the unit. The other Millstone nuclear units are also out of service and listed as Category 3 facilities.

In March 1998, NU announced that Millstone 3 has been designated as the lead unit in the recovery process for the Millstone units, and plans to have the unit ready for restart in the second quarter of 1998, and back on line in the third quarter of 1998. During the period that Millstone 3 is out of service, FG&E will continue 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 will also incur costs to replace the power that was expected to be generated by the unit. During the outage, FG&E has been incurring approximately $35,000 per month in replacement power costs, and has been recovering these 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 nonoperating 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 and the associated costs. The arbitration and legal cases are actively proceeding.

CAPITAL REQUIREMENTS

Capital expenditures for the three months ended March 31, 1998 were approximately $3.0 million. This compares to $2.6 million during the same period last year. Capital expenditures for the year 1998 are estimated to be approximately $15.0 million as compared to $13.9 million for 1997. 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.

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 EARNINGS PER SHARE	Three Months Ended March 31, 1998	1997
Net Income	2,622	$2,914
Less: Dividend Requirement on Preferred Stock	69	69
Net Income Applicable to Common Stock	$2,553	$2,845
Average Number of Common Shares Outstanding	4,478	4,390
Basic Earnings Per Common Share	$0.57	$0.65

DILUTED EARNINGS PER SHARE	Three Months Ended March 31, 1998	1997
Net Income	$2,622	$2,914
Less: Dividend Requirement on Preferred Stock	69	69
Net Income Applicable to Common Stock	$2,553	$2,845
Average Number of Common		

Shares Outstanding	4,590	4,498
Diluted Earnings Per Common Share	$0.56	$0.64

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

During the quarter ended March 31, 1998, the Company did not file any reports on Form 8-K.

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, 1998 /s/ Anthony Baratta
Anthony Baratta
Chief Financial Officer

Date: May 14, 1998 /s/ Mark H. Collin
Mark H. Collin
Treasurer