SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended March 31, 2001

Commission File Number 1-8858

UNITIL CORPORATION

(Exact name of registrant as specified in its charter)

New Hampshire *(State or other jurisdiction of incorporation or organization)*	**02-0381573** *(I.R.S. Employer Identification No.)*
6 Liberty Lane West, Hampton, New Hampshire *(Address of principal executive office)*	**03842-1720** *(Zip Code)*

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

Former name, former address and former fiscal year, if changed since last report: NONE

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, 2001
Common Stock, No par value	4,740,574 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended March 31, 2001

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PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three Months Ended March 31,	
	2001	2000
Operating Revenues:		
Electric	$53,313	$38,958
Gas	11,082	7,320
Other	95	39
Total Operating Revenues	64,490	46,317
Operating Expenses:		
Fuel and Purchased Power	40,171	25,853
Gas Purchased for Resale	7,642	4,052
Operation and Maintenance	7,190	6,169
Depreciation and Amortization	3,366	3,040
Provisions for Taxes:		
Local Property and Other	1,387	1,377
Federal and State Income	1,003	1,368
Total Operating Expenses	60,759	41,859
Operating Income	3,731	4,458
Non-Operating Expense, Net	46	49
Income Before Interest Expense	3,685	4,409
Interest Expense, Net	1,679	1,745
Net Income	2,006	2,664
Less Dividends on Preferred Stock	67	67
Net Income Applicable to Common Stock	$1,939	$2,597
Average Common Shares Outstanding	4,737,713	4,714,540
Basic Earnings Per Share	$0.41	$0.55
Diluted Earnings Per Share	$0.41	$0.55
Dividends Declared per Share of Common Stock (Note 2)	$0.60	$0.60

of Common Stock (Note 2)	$0.69	$0.69

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

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

	(UNAUDITED) March 31, 2001	(UNAUDITED) March 31, 2000	(AUDITED) December 31, 2000
ASSETS:			
Utility Plant:			
Electric	$164,988	$165,194	$173,883
Gas	37,908	34,628	36,996
Common	21,491	21,654	21,602
Construction Work in Progress	1,111	2,046	1,844
Utility Plant	225,498	223,522	234,325
Less: Accumulated Depreciation	68,911	68,107	71,036
Net Utility Plant	156,587	155,415	163,289
Other Property and Investments	8,902	5,276	8,740
Current Assets:			
Cash	1,390	2,730	3,060
Accounts Receivable - Less Allowance for Doubtful Accounts of $595, $593 and $596	25,542	18,421	20,057
Refundable Taxes	1,564	(962)	1,980
Materials and Supplies	2,026	2,074	2,854
Prepayments	1,528	1,140	1,317
Accrued Revenue	6,714	(397)	8,602
Total Current Assets	38,764	23,006	37,870
Noncurrent Assets:			
Regulatory Assets	143,810	141,938	137,470
Prepaid Pension Costs	10,169	9,349	9,996
Debt Issuance Costs	1,468	1,336	1,479
Other Noncurrent Assets	23,119	24,629	24,123
Total Noncurrent Assets	178,566	177,252	173,068
TOTAL	$382,819	$360,949	$382,967

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

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

	(UNAUDITED) March 31, 2001	(UNAUDITED) March 31, 2000	(AUDITED) December 31, 2000
CAPITALIZATION AND LIABILITIES:			

Capitalization:			
Common Stock Equity	$78,678	$78,223	$79,935
Preferred Stock, Non-Redeemable, Non-Cumulative	225	225	225
Preferred Stock, Redeemable, Cumulative	3,465	3,532	3,465
Long-Term Debt, Less Current Portion	93,640	81,915	81,695
Total Capitalization	176,008	163,895	165,320
Current Liabilities:			
Long-Term Debt, Current Portion	3,211	3,195	3,207
Capitalized Leases, Current Portion	928	874	935
Accounts Payable	21,587	14,222	18,539
Short-Term Debt	21,260	12,225	32,500
Dividends Declared and Payable	1,776	1,835	209
Refundable Customer Deposits	1,283	1,307	1,252
Interest Payable	1,333	1,392	1,150
Other Current Liabilities	7,174	3,577	6,377
Total Current Liabilities	58,552	38,627	64,169
Deferred Income Taxes	44,133	42,352	45,859
Noncurrent Liabilities:			
Power Supply Contract Obligations	95,201	103,973	97,342
Capitalized Lease, Less Current Portion	3,030	3,654	3,259
Other Noncurrent Liabilities	5,895	8,448	7,018
Total Noncurrent Liabilities	104,126	116,075	107,619
TOTAL	$382,819	$360,949	$382,967

(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,	
	2001	2000
Cash Flows from Operating Activities:		
Net Income	$2, 006	$2,664
Adjustments to Reconcile Net Income to		
Cash Provided by Operating Activities:		
Depreciation and Amortization	3,366	3,040
Deferred Taxes Provision	1,035	(99)
Amortization of Investment Tax Credit	(38)	(64)
Amortization of Debt Issuance Costs	15	15
Changes in Working Capital:		
Accounts Receivable	(5,485)	(1,791)
Materials and Supplies	828	429
Prepayments	(384)	(657)
Accrued Revenue	1,888	2,659
Accounts Payable	3,048	(2,293)
Refundable Customer Deposits	31	5
Taxes and Interest Payable	1,004	2,528
Other, Net	(1,672)	(919)
Net Cash Provided by Operating Activities	5,642	5,517
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(6,336)	(4,308)
Proceeds from Sale of Property	342	---
Other Property and Investments	(162)	(226)
Cash (Used) in Investing Activities	(6,156)	(4,534)
Cash Flows from Financing Activities:		
Net Increase in Short-Term Debt	3,760	1,725
Repayment of Long-Term Debt	(3,051)	(1,047)
Dividends Paid	(1,767)	(1,704)

Dividends Paid	(1,767)	(1,704)
Issuance of Common Stock	138	160
Repayment of Capital Lease Obligations	(236)	(234)
Cash (Used) in Financing Activities	(1,156)	(1,100)
Net (Decrease) in Cash	(1,670)	(117)
Cash at Beginning of Year	3,060	2,847
Cash at March 31	$1,390	$2,730
Supplemental Cash Flow Information:		
Interest Paid	$2,150	$1,853

The Company recorded the impact of the sale of Millstone 3, related to its Electric Utility Restructuring Plan as required by the MDTE, on March 31, 2001. The non-cash changes related to this sale are as follows:

(Decrease) in Electric Utility Plant-net of accum. depreciation	($7,684)	---
Decrease in related Deferred Taxes	2,686	---
Other Balance Sheet changes	191	---
Increase in Regulatory Asset	$4,807	---

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

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

Note 1.

Reclassifications:

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, 2001 and 2000; and results of operations for the three months ended March 31, 2001 and 2000; and consolidated statements of cash flows for the three months ended March 31, 2001 and 2000.

Reclassifications are made periodically to amounts previously reported to conform to current year presentation.

The results of operations for the three months ended March 31, 2001 and 2000 are not necessarily indicative of the results to be expected for the full year.

Note 2.

Dividends Declared Per Share:

Two regular quarterly common stock dividends were declared during the first quarter of 2001 and 2000.

Common Stock Dividend:

On March 15, 2001, 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 15, 2001 to shareholders of record as of May 1, 2001.

On January 16, 2001, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.345 per share which was payable on February 15, 2001 to shareholders of record as of February 1, 2001.

Note 3.

Common Stock:

During the first quarter of 2001, the Company sold 5,657 shares of Common Stock, at an average price of $25.49 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan. Net proceeds of $137,744 were used to reduce short-term borrowings.

Note 4.

Preferred Stock:

Details on preferred stock at March 31, 2001, March 31, 2000 and December 31, 2000 are shown below (000's):

	March 31,	December 31,

	2001	2000	2000
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	385	385	385
5.125% Dividend Series	973	987	973
8% Dividend Series	1,300	1,353	1,300
Total Redeemable Preferred Stock	3,465	3,532	3,465
Total Preferred Stock	$3,690	$3,757	$3,690

Note 5.

Long-term Debt:

For presentation purposes, the long-term debt on the Balance Sheet reflects the issuance of $7.5 million of Series K First Mortgage Bonds for Concord Electric Company and $7.5 million of Series M First Mortgage Bonds for Exeter and Hampton Electric Company, which were effective prior to March 31, 2001, with a corresponding decrease to short-term debt. These bonds were approved by the New Hampshire Public Utilities Commission (NHPUC) on March 23, 2001 and subsequently issued.

Details on long-term debt at March 31, 2001, March 31, 2000 and December 31, 2000 are shown below (000's):

	March 31,		December 31,
	2001	2000	2000
Concord Electric Company:			
First Mortgage Bonds:			
Series I, 8.49%, due October 14, 2024	6,000	6,000	6,000
Series J, 6.96%, due September 1, 2028	10,000	10,000	10,000
Series K, 8.00%, due May 1, 2031	7,500	---	---
Exeter & Hampton Electric Company:			
First Mortgage Bonds:			
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	10,000
Series M, 8.00%, due May 1, 2031	7,500	---	---
Fitchburg Gas and Electric Light Company:			
Promissory Notes:			
8.55% Notes due March 31, 2004	9,000	12,000	12,000
6.75% Notes due November 30, 2023	19,000	19,000	19,000
7.37% Notes due January 15, 2029	12,000	12,000	12,000
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes due August 1, 2017	6,851	7,110	6,902
Total	96,851	85,110	84,902
Less: Installments due within one year	3,211	3,195	3,207
Total Long-term Debt	$93,640	$81,915	$81,695

Note 6.

Segment Information:

The following table provides significant segment financial data for the quarters-ended March 31, 2001 and 2000:

Quarter Ended March 31, 2001 (000's)	**Electric**	**Gas**	**Other**	**Usource**	**Eliminations**	**Total**
Revenues						
External Customers	**$53,313**	**$11,082**	**$8**	**$87**		**$64,490**
Intersegment	**----**	**----**	**5,024**	**----**	**(5,024)**	**----**
Depreciation and Amortization	**2,412**	**401**	**345**	**208**		**3,366**
Interest, net	**1,067**	**381**	**195**	**36**		**1,679**
Income Taxes	**811**	**437**	**40**	**(285)**		**1,003**
Segment Profit (Loss)	**1,729**	**702**	**51**	**(543)**		**1,939**
Identifiable Segment Assets	**319,646**	**40,138**	**39,690**	**4,207**	**(20,862)**	**382,819**
Regulatory Assets	**143,810**	**----**	**----**	**----**		**143,810**
Capital Expenditures	**5,823**	**292**	**82**	**301**		**6,498**
Quarter Ended March 31, 2000 (000's)						
Revenues						
External Customers	$38,858	$7,320	$107	$32		$46,317
Intersegment	----	----	4,761	----	(4,761)	----
Depreciation and Amortization	2,232	377	379	52		3,040
Interest, net	1,229	367	137	12		1,745
Income Taxes	1,106	339	64	(141)		1,368
Segment Profit (Loss)	2,137	652	100	(292)		2,597
Identifiable Segment Assets	300,631	39,258	43,211	1,261	(23,412)	360,949
Regulatory Assets	141,938	----	----	----		141,938
Capital Expenditures	3,339	499	98	598		4,534

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

SAFE HARBOR CAUTIONARY STATEMENT

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.

RESULTS OF OPERATIONS

Earnings per average common share were $0.41 for the first quarter of 2001, a decrease of $0.14 per share compared to earnings per share of $0.55 for the same three-month period in 2000. For the first quarter of 2001, Utility Operations contributed $0.52 per share to consolidated results, while non-utility operations lost $0.11 per share.

Earnings per share from Utility Operations in the first quarter of 2001 were $0.09 lower than the per-share earnings from this business segment in the same three-month period in 2000. This reduction primarily reflects the loss of a major electrical customer that discontinued operations last year, and increased Operation and Maintenance expenses due to hi gher storm-related maintenance and other operating costs. These factors were partially offset by increased gas margins and decreased Interest Expense, net of Interest Income. Losses from Usource increased $0.05 per share over the same quarter last year, due to costs associated with the operation and development of the business.

Sales (000's)

	Three Months Ended		
kWh Sales	03/31/01	03/31/00	Change
Residential	167,827	163,836	2.4%
Commercial/Industrial	251,291	255,635	(1.7%)
Total kWh Sales	419,118	419,471	(0.1%)
Firm Therm Sales			
Residential	5,803	5,526	5.0%
Commercial/Industrial	5,966	5,211	14.5%
Total Firm Therm Sales	11,769	10,737	9.6%

Segment Information
($000's)

Three Months Ended - 3/31/01

	Utility Operations	Usource	Total
Revenues	$64,403	$87	$64,490
Segment Profit (Loss)	2,482	(543)	1,939
Diluted Earnings per Share	0.52	(0.11)	0.41

	Three Months Ended - 3/31/00		
	Utility Operations	Usource	Total
Revenues	$46,285	$32	$46,317
Segment Profit (Loss)	2,889	(292)	2,597
Diluted Earnings per Share	0.61	(0.06)	0.55

During the current three-month period, kilowatt-hour (kWh) sales to Residential customers increased 2.4%, while kWh sales to Commercial and Industrial customers declined 1.7%. This decline in Commercial and Industrial sales is attributable to signs of a slowing economy, coupled with the impact of the bankruptcy of a major customer that occurred in the second quarter of 2000.

Firm Therm gas sales increased 9.6% in the current period, due to more normal average temperatures (approximately 11% colder than the same three-month period a year earlier), and the success of the Company's natural gas sales and marketing programs. Firm Therm gas sales to Residential customers increased 5.0%, and sales to Commercial and Industrial customers increased 14.5% in the current quarter.

Total Operating Revenues increased 39%, or $18.2 million, in the first quarter of 2001 compared to the same three-month period in the prior year, reflecting increased revenues from the recovery of significantly higher electric fuel and purchased power costs and gas purchase costs. These higher revenues do not affect the Company's net income, as they are matched dollar for dollar with the costs incurred by the Company to procure electricity and natural gas for customers.

Fuel and Purchased Power costs and Gas Purchased for Resale costs increased significantly in the quarter, due to spot market increases in the commodity costs. Operation and Maintenance expenses increased in this quarter, largely due to higher storm related maintenance and other operating costs. Depreciation and Amortization increased due to utility plant additions and the amortization of web-site development software costs. Local Property and Other taxes remained consistent with the previous year. Federal and State Income Taxes decreased due to lower taxable income in this quarter, compared to same quarter last year.

Earnings per share from the Company's non-regulated operations are related to planned operating and development costs of Usource, the Company's Internet-based energy brokering business. For the current quarter, Usource lost $0.11 per share compared to $0.06 per share in the first quarter of 2000. Brokerage activity in the first quarter of 2001 resulted in revenues of $87,000, equal to two-thirds of the total revenues recorded in all of 2000. For the remainder of 2001, Usource expenditures are expected to be significantly reduced and the energy brokering business is projected to experience continued revenue growth. Going forward, the Company expects and improvement in Usource year-to-year results.

The Company continues to hold approximately a 9% equity interest in Enermetrix. This investment is recorded "at cost" by the Company, based on a total investment of $5.4 million. Enermetrix is a service provider and technology enabler for deregulated energy markets and developed The Enermetrix Network, an Internet-based energy procurement bid system that matches buyers and sellers of energy in competitive markets.

On March 31, 2001, the Company completed the sale of its interest in the Millstone 3 Nuclear Generating Station (along with the majority of other owners of the facility) to Dominion Nuclear Connecticut, Inc., a subsidiary of Dominion (NYSE: D). As a result of this sale, the Company's utility subsidiary, Fitchburg Gas and Electric Light Company, completed the divestiture of its 2.5 megawatt interest in Millstone 3 and eliminated all potential future liabilities and contingencies related to this nuclear facility, including environmental and decommissioning liabilities. The sale resulted in net cash proceeds of $342,000. There were various non-cash changes related to this sale, such as reclassification of the undepreciated plant balance of $7,684,000, from Electric Utility Plant to Regulatory Assets. In addition, there was a decrease in Deferred Federal and State Taxes of $2,686,000. The recovery of this regulatory asset balance of $4,807,000 has been approved to be collected in rates over the next nine years by the MDTE. The table below summarizes these non-cash Balance Sheet reclassifications.

Reclassifications related to the sale of Millstone 3 *(000's)*

(Decrease) in Electric Utility Plant-net of accum. depreciation	($7,684)
Decrease in related Deferred Taxes	2,686
Other Balance Sheet changes	191
Increase in Regulatory Asset	$4,807

REGULATORY MATTERS

The Unitil System of Companies is regulated by various federal and state agencies, including the Securities and Exchange Commission (SEC), the Federal Energy Regulatory Commission (FERC), and state regulatory authorities with jurisdiction over the utility industry, including the New Hampshire Public Utilities Commission (NHPUC) and the Massachusetts Department of Telecommunications and Energy (MDTE). In recent years, there has been significant legislative and regulatory activity to introduce greater competition in the supply and sale of electricity and gas, while continuing to regulate the delivery and distribution operations of our utility subsidiaries.

Massachusetts enacted comprehensive electric utility industry restructuring in November 1997. Since March 1, 1998, all electric consumers in Massachusetts served by investor-owned utilities have had the ability to choose their electric energy supplier. FG&E, the Company's Massachusetts utility operating subsidiary, continues to implement its comprehensive electric restructuring plan and divestiture of its entire regulated power supply business, including its nuclear investment.

Since 1997, FG&E has worked in collaboration with the other Massachusetts gas distribution utilities and various other stakeholders to develop and implement the infrastructure to offer gas customers choice of their competitive gas energy supplier and to complete the restructuring of gas service provided by gas utilities. FG&E filed with the MDTE new gas tariffs to implement natural gas unbundling in accordance with Model Terms and Conditions resulting from these collaborative efforts. The MDTE issued an Order approving these tariffs and final regulations effective November 1, 2000.

In New Hampshire, CECo and E&H, our electric utility operating subsidiaries, and Unitil Power Corp., our wholesale power company, continue to prepare for the transition that will move them into this new market structure, pending resolution of certain key restructuring policies and issues. The utility operating companies have also been active participants in the restructuring of the wholesale power market and transmission system in New England. Though retail competition in the sale of electricity has stalled throughout the region, new wholesale markets have been implemented in the New England Power Pool (NEPOOL) under the general supervision of an Independent System Operator (ISO).

Massachusetts Electric Restructuring - On January 15, 1999, the MDTE approved FG&E's restructuring plan with certain modifications. The Plan provides customers with: a) the ability to choose an energy supplier; b) an option to purchase Standard Offer Service provided by FG&E at regulated rates for up to seven years; and c) a cumulative 15% rate reduction adjusted for inflation. The Order also approved FG&E's power supply divestiture plan for its interest in three generating units and four long-term power supply contracts.

Pursuant to the Plan, on October 30, 1998, FG&E filed a proposed contract with Constellation Power Services Inc. for provision of Standard Offer Service. Constellation began to supply power under that contract on March 1, 1999, and is scheduled to continue through February 28, 2005. The award of this contract was the first successful Standard Offer auction conducted in Massachusetts.

A contract for the sale of FG&E's interest in the New Haven Harbor plant was approved by the MDTE on March 31, 1999, and the sale of the unit closed on April 14, 1999. A contract for the sale of the entire output from FG&E's remaining generating assets and purchased power contracts to Select Energy, Inc. was approved by the MDTE on December 28, 1999, and went into effect February 1, 2000.

On December 22, 1999, FG&E filed with the MDTE new rates for effect January 1, 2000. The revised rates maintain the required inflation-adjusted 15% rate discount. The MDTE approved the rates on January 5, 2000, subject to an examination of the Company's filing in which it reconciles its estimated and actual transition costs (the "reconciliation filing").

On February 2, 2000, the MDTE initiated a proceeding to examine FG&E's reconciliation filing and the consistency of the proposed charges and adjustments with the methods approved in FG&E's restructuring plan. The MDTE held four days of hearings in May 2000, and the Company presented testimony in support of its filing. As part of his review of FG&E's filing, the Massachusetts Attorney General has challenged FG&E's recovery of certain transition costs and other cost reconciliation calculations. Management is unable to determine the outcome of the MDTE proceedings. However, if an unfavorable outcome were to occur, there could be an adverse impact on the Company's consolidated financial position.

As a result of restructuring and divestiture of FG&E's generation and purchased power portfolio, FG&E has accelerated the write-off of its electric generation assets and its abandoned investment in Seabrook Station. The MDTE established the return to be earned on the unamortized balance of FG&E's generation plant, reducing FG&E's earnings on those assets. In 2000, Unitil's earnings from this business segment represented approximately 16% of the earnings from utility operations. As this portfolio is amortized over the next 9 years, earnings from this segment of FG&E's utility business will continue to decline and ultimately cease.

On August 2, 2000, FG&E was the first electric company in Massachusetts to file for an increase in its Standard Offer Service rates pursuant to the Fuel Adjustment provision of its Standard Offer Service (SOS) tariff. This adjustment allows an increase in the SOS rate due to increases in the fuel prices of oil and natural gas. Any revenues received as a result of this adjustment are passed on to the Company's wholesale SOS provider. The MDTE suspended the filing for further review. Subsequently, other electric utility companies operating in Massachusetts made similar filings, and the MDTE instituted proceedings in each of those cases. On December 4, 2000, the MDTE issued an order for the utilities authorizing a "fixed" fuel adjustment, calculated based on the most recent 12 months of data. These adjustments took effect on January 1, 2001. FG&E's SOS rate increased from $0.038/kWh to $0.05121/kWh. Unrecovered amounts to date will be recovered, subject to the rate reduction requirements of the Act.

In approving the new SOS rates, the MDTE also directed all electric distribution companies to file a report with the MDTE on their efforts to mitigate transition costs. On January 19, 2001, FG&E filed an extensive report detailing its mitigation activities, including contract restructurings, divestiture of its generating assets, and a variety of initiatives intended to reduce the burden of increasing energy prices on customers. While FG&E has completed the divestiture of its generation assets, the Company continues to seek ways to reduce its transition costs and lower prices for customers.

On December 1, 2000, FG&E filed new electric rates for effect January 1, 2001. The revised rates maintain the required inflation-adjusted 15% rate discount. The MDTE approved final rates on December 29, 2000, subject to reconciliation pursuant to an investigation of actual and estimated transition costs, resulting in an upward inflation adjustment of 3.5% relative to 2000 rates.

New customers, and customers who previously opted to take electric supply service from a competitive provider, may purchase power through FG&E under Default Service. FG&E provides the Default Service through a third party supplier at market-based rates. The Company issued its first Request for Proposals for Default Service in September 2000. FG&E awarded a contract and filed resulting rates, which were approved, effective for the period January through May 2001. The Company issued its second Request for Proposals in March 2001. A contract was awarded and the resulting rates were approved effective for the period June through November 2001.

In June 2000, the MDTE opened an investigation into whether (1) metering, meter maintenance and testing, and customer billing and information services (MBIS) should be unbundled; and (2) the service territories of distribution companies should remain exclusive. On December 29, 2000, the MDTE issued its report recommending that the Legislature not take action to allow for the competitive provision of MBIS in the electric industry. The MDTE also concluded that exclusive service territories should remain intact. Instead, the MDTE would open a proceeding to establish terms and conditions by which distribution companies will install advanced metering equipment, stating that efforts along these lines will likely yield substantial benefits to electricity consumers sooner than would competition. On February 8, 2001 the MDTE opened a proceeding to investigate this matter. During March 2001, the electric utilities, including FG&E, filed model tariffs for advanced metering for consideration by the MDTE. These filings are now pending.

Massachusetts Gas Restructuring - 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 filed with, and 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. This order also set forth the MDTE's decision requiring mandatory

assignment by LDCs of their pipeline capacity contracts to competitive marketers. In March 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 MDTE approved the settlement on April 2, 1999. FG&E has made separate compliance filings that were approved by the MDTE to implement its interim firm gas transportation service for its largest general service customers and to complement this service with a firm gas peaking service. This interim service is now superseded by the permanent transportation service, which was approved for implementation on November 1, 2000.

On November 3, 1999, the Massachusetts LDCs filed Model Terms and Conditions for Gas Service, including provisions for capacity assignment, peaking service, and Default Service. In accordance with the MDTE's approval of these Model Terms and Conditions in January 2000, FG&E filed Company-specific tariffs that implement natural gas unbundling. The MDTE also opened a rulemaking proceeding on proposed regulations that would govern the unbundling of services related to the provision of natural gas. The MDTE has issued an order approving the tariffs and final regulations effective November 1, 2000.

New Hampshire Electric Restructuring - On February 28, 1997, the NHPUC issued its Final Plan for New Hampshire electric utilities to transition to a competitive electric market in the state (Final Plan). The Final Plan linked the interim recovery of stranded cost by the State's utilities to a comparison of their existing rates with the regional average utility rates. CECo's and E&H's rates are below the regional average; thus, the NHPUC found that CECo and E&H were entitled to full interim stranded cost recovery, as defined by the NHPUC. However, the NHPUC also made certain legal rulings, which could affect CECo's and E&H's long-term ability to recover all of their stranded costs.

Northeast Utilities' affiliate Public Service Company of New Hampshire (PSNH) filed suit in U.S. District Court for protection from the Final Plan and related orders and was granted an indefinite stay. In June 1997, Unitil, and other utilities in New Hampshire, intervened as plaintiffs in the federal court proceeding. In June 1998, the federal court clarified that the injunctions issued by the court in 1997 had effectively frozen the NHPUC's efforts to implement restructuring. This amended injunction has been challenged by the NHPUC, and affirmed by the First Circuit Court of Appeals. Unitil continues to be a plaintiff-intervenor in federal district court.

Unitil has continued to work actively to explore settlement options and to seek a fair and reasonable resolution of key restructuring policies and issues in New Hampshire. The Company is also monitoring the regulatory and legislative proceedings dealing with electric restructuring in the state. In October 2000, the NHPUC approved a settlement for the restructuring of PSNH, which settlement was implemented on May 1, 2001.

Pending Rate Proceedings - The last formal regulatory filings to increase base electric rates for Unitil's three retail operating subsidiaries occurred in 1985 for CECo, 1984 for FG&E, and 1981 for E&H. A majority of the Company's operating revenues are collected under various periodic rate adjustment mechanisms including fuel, purchased power, cost of gas, energy efficiency, and restructuring-related cost recovery mechanisms. Industry restructuring will continue to change the methods of how certain costs are recovered through the Company's regulated rates and tariffs.

As discussed above, FG&E filed for and received approval of an increase to its electric Standard Offer Service rate reflecting extraordinary increases in the price of oil and natural gas. FG&E also received an increase to its Cost of Gas Adjustment resulting in bill increases of approximately 25%, effective November 1, 2000. FG&E subsequently received another increase of approximately 20% to its Cost of Gas Adjustment for effect February 1, 2001. Wholesale natural gas prices reached record levels in New England and across the United States in response to cold weather and tight supplies. Reflecting a moderation in natural gas prices, FG&E implemented a decrease to its Cost of Gas Adjustment for the summer period, effective May 1, 2001. In New Hampshire, CECo and E&H filed and received approval of increases to their Fuel and Purchased Power Adjustments, resulting in bill increases of 25% to 34%, depending upon usage patterns, effective January 1, 2001. These higher fuel costs are a pass-through without markup or profit. Retail electricity prices for most New England utilities increased this past winter.

On May 15, 1998, FG&E filed a gas base rate case with the MDTE. The last base rate case had been in 1984. 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. As part of the proceeding, the Massachusetts Attorney General alleged that FG&E had double-collected fuel inventory finance charges, and requested that the MDTE require FG&E to refund approximately $1.6 million in double collections since 1987. The Company believes that the Attorney General's claim is without merit and that a refund was not justified or warranted. The MDTE rejected the Attorney General's request and stated its intent to open a separate proceeding to investigate the Attorney General's claim. On November 1, 1999, the MDTE issued an Order of Notice initiating an investigation of this matter. Hearings were held in early 2000 and were reopened in November 2000 to hear new evidence. Supplemental testimony has been filed and additional hearings were held in February 2001. Briefs were filed during March 2001.

On October 29, 1999, the MDTE initiated a proceeding to implement Performance Based Rate making (PBR) for all electric and gas distribution utilities in Massachusetts. PBR is a method of setting regulated distribution rates that provide incentives for utilities to control costs while maintaining a high level of service quality. Under PBR, a company's earnings are tied to performance targets, and penalties can be imposed for deterioration of service quality. On December 29, 1999, FG&E filed a petition with the MDTE for authority to defer for later recovery costs associated with its preparation of a PBR filing for its gas division and its participation in the MDTE-initiated generic gas and electric PBR proceedings. This petition and the MDTE's generic proceeding are pending. The Company is currently evaluating the impact, if any, that PBR would have on the Company's ability to continue applying the standards of Statement of Financial Accounting Standards No. 71 "Accounting for the Effects of Certain Types of Regulation."

On December 31, 1999, the Massachusetts Attorney General filed a complaint against FG&E requesting that the MDTE investigate the distribution rates, rate of return, and depreciation accrual rates for FG&E's electric operations in calendar year 1999. The MDTE opened a proceeding in November 2000, held a public hearing and procedural conference in December 2000, and subsequently issued a procedural schedule covering the period January through July 2001. Any order received from the MDTE would apply to the Company's rates prospectively and would not be retroactive. Management is unable to predict the outcome of this proceeding but an unfavorable result could have an adverse impact on the Company's consolidated financial position.

During April 2001, the MDTE held a technical session with the Company and the Attorney General regarding certain costs the Company has recovered through its Local Distribution Adjustment Clause. Approximately $175,000 of costs are in dispute. The Company is preparing written responses to questions posed during the session.

Due to changes in NH tax law, on April 26, 2001, CECo and E&H filed tariff changes with the NHPUC for effect May 1, 2001 to reduce rates by eliminating the State Gross Receipts Franchise Tax, and to increase rates by including a Business Profits Tax factor. The overall impact is a small decrease for most customers. The tariff changes have been suspended and set for hearing.

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. In March 1996, as a result of engineering evaluations, Millstone 3 was taken out of service. The NRC authorized the restart of Millstone 3 in June 1998.

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 incurred approximately $1.2 million in replacement power costs, and recovered those costs through its electric fuel charge, which is subject to review and reconciliation by the MDTE. Under existing MDTE precedent, FG&E's replacement power costs of $1.2 million could be subject to disallowance in rates.

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. Several preliminary rulings have been issued in the arbitration and legal cases, and both cases are continuing. On March 22, 2000, FG&E entered into a settlement agreement with the defendants under which FG&E agreed to dismiss its lawsuit and arbitration claims. The settlement was generally similar to earlier settlements with the defendants, and three joint owners that own, in the aggregate, approximately 19% of the unit. The settlement provided for FG&E to receive an initial payment of $600,000 and other amounts contingent upon future events and would result in FG&E's entire interest in the unit being included in the auction of the majority interest, and certain of the minority interests, in Millstone 3. FG&E is flowing through the net proceeds of the settlement to its customers.

In August 2000, FG&E entered into an agreement, along with other joint owners, to sell its interest in Millstone 3 to a subsidiary of Dominion Resources, Inc. After filing for review and approval from a number of regulatory agencies, including the MDTE, NHPUC and NRC, FG&E sold all of its interest in Millstone 3 on March 31, 2001. As a result of the settlement and sale, FG&E has been relieved of all residual liabilities, including decommissioning liability, associated with Millstone 3.

CAPITAL REQUIREMENTS

Capital expenditures for the three months ended March 31, 2001 were approximately $6.3 million. This compares to $4.3 million during the same period last year. Annual capital expenditures for the year 2001 are estimated to be approximately $18.5 million as compared to $22.2 million for 2000. This projection reflects normal capital expenditures for utility system expansions, replacements and other improvements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Although Unitil's utility operating companies are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of fuel and gas costs in rates. Consequently, there is limited commodity price risk after consideration of the related rate-making. As the utility industry deregulates, the Company will be divesting its commodity-related energy businesses and therefore will be further reducing its exposure to commodity-related risk.

PART II. OTHER INFORMATION

Item 1. 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.

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
4.1	Tenth Supplemental Indenture dated January 15, 2001 amending CECo's Original First Mortgage Bonds Indenture and all successor supplemental indentures.	Filed herewith
4.2	Eleventh Supplemental Indenture dated April 20, 2001 relating to CECo's First Mortgage Bonds, Series K, 8.0% due May 1, 2031.	Filed herewith
4.3	Bond Purchase Agreement dated April 20, 2001 relating to CECo's First Mortgage Bonds, Series K, 8.0% due May 1, 2031.	Filed herewith
4.4	Twelfth Supplemental Indenture dated April 20, 2001 relating to E&H's First Mortgage Bonds, Series M, 8.0% due May 1, 2031.	Filed herewith
4.5	Bond Purchase Agreement dated April 20, 2001 relating to E&H's First Mortgage Bonds, Series M, 8.0% due May 1,	Filed herewith

2031.

(b) Reports on Form 8-K

During the quarter ended March 31, 2001, 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, 2001 /s/ Anthony J. Baratta, Jr.
Anthony J. Baratta, Jr.
Chief Financial Officer

Date: May 14, 2001 /s/ Mark H. Collin
Mark H. Collin
Treasurer

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, 2001	2000
Net Income	$2,006	$2,664
Less: Dividend Requirement on Preferred Stock	67	67
Net Income Applicable to Common Stock	$1,939	$2,597
Average Number of Common Shares Outstanding	4,738	4,715

Basic Earnings Per Common Share	$0.41	$0.55

DILUTED EARNINGS PER SHARE	Three Months Ended March 31, 2001	2000
Net Income	$2,006	$2,664
Less: Dividend Requirement on Preferred Stock	67	67
Net Income Applicable to Common Stock	$1,939	$2,597
Average Number of Common Shares Outstanding	4,756	4,747
Diluted Earnings Per Common Share	$0.41	$0.55

Concord Electric Company

To

State Street Bank and Trust Company, Trustee

Eleventh

Supplemental Indenture

Dated as of April 20, 2001

Additional Issue of Bonds
(Series K, 8.00%, due May 1, 2031)

$7,500,000

This Supplemental Indenture, dated and entered into as of April 20, 2001, by and between Concord Electric Company, a corporation duly organized and existing under the laws of the State of New Hampshire (hereinafter commonly referred to as the *"Company"*) (its Federal tax identification number being 02-0121400) and State Street Bank and Trust Company, a Massachusetts trust company, as successor Trustee to Old Colony Trust Company under the Indenture of Mortgage and Deed of Trust referred to in the first recital hereof (hereinafter, together, as appropriate, with each predecessor trustee, commonly referred to as the *"Trustee"*);

W i t n e s s e t h:

Whereas, the Company heretofore duly executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust (hereinafter generally referred to as the *"Original Indenture"* and sometimes referred to, with each and every other instrument, including this Supplemental Indenture, which the Company may execute with the Trustee and which is therein stated to be supplemental to the Original Indenture, as the *"Mortgage"*), dated as of July 15, 1958, but actually executed on September 18, 1958, and recorded, among other places, in Merrimack County, New Hampshire, Registry of Deeds, Volume 832, Page 96, and in the Office of the City Clerk of the City of Concord, New Hampshire, Volume 188, Page 156 and duly recorded First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplemental Indentures thereto dated as of January 15, 1968, as of November 15, 1971, as of July 1, 1975, as of March 28, 1984, as of June 1, 1984, as of October 29, 1987, as of August 29, 1991, as of October 14, 1994, as of September 1, 1998 and January 15, 2001 respectively, to which this instrument is supplemental and in modification and confirmation thereof, whereby substantially all the properties of the Company used by it in its electric business, whether then owned or thereafter acquired, with certain exceptions and reservations fully set forth in the Mortgage were given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed to the Trustee, its successors and assigns, in trust upon the terms and conditions set forth therein to secure bonds of the Company issued and to be issued thereunder, and for other purposes more particularly specified therein; and

Whereas, on January 4, 1971 Old Colony Trust Company was merged into The First National Bank of Boston, which thereupon succeeded to the trusts under the Mortgage; and

Whereas, effective May 1, 1996 The First National Bank of Boston resigned as trustee under the Mortgage and the Company appointed State Street Bank and Trust Company as successor trustee, which accepted such appointment and thereupon succeeded to

the trusts under the Mortgage; and

Whereas, there are now outstanding under the Mortgage $6,000,000 in principal amount of First Mortgage Bonds, Series I, and $10,000,000 in principal amount of First Mortgage Bonds, Series J and the Company proposes to issue $7,500,000 in principal amount of additional First Mortgage Bonds of a new series designated as First Mortgage Bonds, Series K (hereinafter sometimes referred to as *"Series K bonds*" or *"bonds of Series K"*); and

Whereas, all things have been done and performed which are necessary to make the Series K bonds, when authenticated by the Trustee and issued as in the Original Indenture and herein provided, legal, valid and binding obligations of the Company;

Now, Therefore, in consideration of the premises, and of the acceptance and purchase of the Series K bonds by the holder thereof, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Original Indenture and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplemental Indentures and in performance of and compliance with the provisions thereof, the Company, by these presents, does give, grant, bargain, sell, warrant, pledge, assign, transfer, mortgage and convey unto the Trustee, as provided in the Mortgage, and its successor or successors in the trust thereby and hereby created, and its and their assigns, all and singular, the property, and rights and interests in property, described in the Original Indenture and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplemental Indentures and thereby conveyed, pledged, assigned, transferred and mortgaged, or intended or required so to be (said descriptions in the Original Indenture and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth and Tenth Supplemental Indentures being hereby made a part hereof to the same extent as if set forth herein at length), whether then or now owned or thereafter or hereafter acquired, except such of said properties or interests therein as may have been released by the Trustee or sold or disposed of in whole or in part as permitted by the provisions of the Mortgage and also, but without in any way limiting the generality of the foregoing, all the rights, titles, interests, easements and properties described in Schedule A hereto attached and hereby made a part hereof as fully as if set forth herein at length, and all proceeds of any of the foregoing at any time conveyed, pledged, assigned, transferred, mortgaged, paid or delivered to and from time to time held by the Trustee upon the trusts of the Mortgage.

Subject, However, insofar as affected hereby, to any permitted encumbrances as defined in Section 1.01 of the Original Indenture, and, as to the property specifically described in Schedules A of the Original Indenture and the First, Second, Third, Fifth, Sixth, Seventh, Eighth and Ninth Supplemental Indentures and in Schedule A hereof, to the liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof contained in said Schedules, none of which substantially interferes with the free use and enjoyment by the Company of the property and rights hereinabove described for the general purposes and uses of the Company's electric business;

And Subject Further, as to all hereafter-acquired property, insofar as affected thereby, to any mortgages, encumbrances or liens on such after-acquired property existing at the time of such acquisition or contemporaneously created, conforming to the provisions of Section 8.07 of the Original Indenture;

But Specifically Reserving, Excepting and Excluding from this instrument, and from the grant, conveyance, mortgage, transfer and assignment herein contained, all right, title and interest of the Company, now owned or hereafter acquired in and to properties and rights of the kind specified in subclauses (a) to (d) , both inclusive, of the granting clauses, on pages 25-26, of the Original Indenture (as amended by Section 4.03A of the Fourth Supplemental Indenture).

To Have and to Hold the trust estate, with all of the privileges and appurtenances thereunto belonging, unto the Trustee, its successors in the trusts of the Mortgage, and its and their assigns, to its and their own use, forever;

But in Trust Nevertheless, upon the terms and trusts set forth in the Mortgage, for the equal *pro rata* benefit, security and protection (except as provided in Section 8.14 of the Original Indenture and except insofar as a sinking, improvement and analogous fund or funds, established in accordance with the provisions of the Original Indenture, or any indenture supplemental thereto, may afford particular security for bonds of one or more series) of the bearers and the registered owners of the bonds from time to time authenticated, issued and outstanding under the Mortgage, and the bearers of the coupons appertaining thereto, without (except as aforesaid) any preference, priority or distinction whatever of any one bond over any other bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

Provided, However, and these presents are upon the condition, that, if the Company shall pay or cause to be paid the principal of and premium, if any, and interest on the bonds at the times and in the manner therein and in the Mortgage provided, and shall keep, perform and observe all and singular the covenants, agreements and provisions in the bonds and in the Mortgage expressed to be kept, performed and observed by or on the part of the Company, then this Supplemental Indenture and the estate and rights hereby granted shall, pursuant to the provisions of Article Thirteen of the Original Indenture, cease, determine and be void, but otherwise shall be and remain in full force and effect.

And it is Hereby Covenanted, Declared and Agreed, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions, viz.:

Article One

Series K Bonds

Section 1.01. There shall be and is hereby created an additional series of bonds designated as and entitled "First Mortgage Bonds, Series K." Series K bonds shall be fully registered bonds without coupons, of the denomination of $1,000 and multiples thereof. The bonds of Series K originally issued shall be dated the date of such issue and any bonds of Series K subsequently issued under the provisions of Sections 2.09, 2.11, 2.12 and 7.05 of the Original Indenture and of Section 1.07 hereof shall be dated as provided in Section 2.04 of the Original Indenture. All Series K bonds shall mature on May 1, 2031, and shall bear interest at the rate of eight percent (8.00%) per annum from their respective dates, such interest to be payable quarterly in arrears on the first day of February, May, August and November and in each year commencing the first day of August, 2001, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 10.00% per annum. The principal of, premium, if any, and interest on bonds of Series K shall be payable at the principal corporate trust office of State Street Bank and Trust Company, Boston, Massachusetts, or at the principal corporate trust office of its successors as Trustee hereunder, in lawful money of the United States of America, *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series K providing that payment of interest thereon and of the redemption price of any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series K to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement, (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series K in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon any such bond to be transferred, or (ii) such bond of Series K shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series K shall have been surrendered in exchange for a new bond or bonds of Series K for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Mortgage and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series K bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term "Institutional Holder" shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The text of the bonds of Series K and of the Trustee's Certificate with respect to Series K bonds shall be respectively substantially of the tenor and purport set forth in Schedule B hereto. The bonds of Series K shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series K hereunder is hereby limited to the $7,500,000 in aggregate principal amount of Series K bonds initially issued as provided in Section 1.07 hereof and to Series K bonds issued in exchange or substitution for outstanding Series K bonds under the provisions of Sections 2.09, 2.11, 2.12 and 7.05 of the Original Indenture and Section 1.06 hereof (except that despite the provisions of Section 2.09 of the Original Indenture, no bonds of Series K may be converted from registered to coupon form).

Section 1.02. As a required sinking fund for the benefit of the Series K bonds, the Company covenants that it will, on or prior to May 1 in each year, beginning with May 1, 2022, and continuing to and including May 1, 2031, pay to the Trustee immediately available funds sufficient to redeem, at par, Series K bonds then outstanding, in the principal amount of Seven Hundred Fifty Thousand Dollars ($750,000)(or the remaining principal amount if less than $750,000 principal amount of Series K bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Eleventh Supplemental Indenture referred to as "required sinking fund payments" and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a "required sinking fund redemption date". Each required sinking fund payment shall be applied to the redemption of Series K bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04 or 1.05 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series K bonds shall have been paid in full.

Section 1.03. In addition to the required sinking fund provided by Section 1.02 hereof, all of the bonds of Series K, or any part of the principal amount thereof constituting One Hundred Thousand Dollars ($100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after May 1, 2001 and before May 1, 2029, pursuant to the provisions of Article Seven of the Original Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.03 determined five business days prior to such redemption. In addition to the foregoing, on any date on or after May 1, 2029, all of the bonds of Series K, or any part of the principal amount thereof constituting One Hundred Thousand Dollars ($100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the bond or bonds optionally to be redeemed to the dates fixed for such redemption plus 100% of the principal amount thereof.

For purposes of this Section 1.03, the *Make Whole Amount* shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

"Reinvestment Rate" shall mean (1) the sum of 0.50%, *plus* the yield reported on page "USD" of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, *plus* the arithmetic mean of the yields for the two columns under the heading *"Week Ending"* published in the Statistical Release under the caption *"Treasury Constant Maturities"* for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

"Statistical Release" shall mean the then most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series K bonds.

"Weighted Average Life to Maturity" of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term *"Remaining Dollar-Years"* of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 if the redemption pursuant to this Section 1.03 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.03, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totalling the products obtained in (i).

Section 1.04. Series K bonds which may be redeemed pursuant to Article Eleven of the Original Indenture (i) out of release moneys or other trust moneys required by Section 8.12 of the Original Indenture to be deposited with the Trustee, may be redeemed on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of release moneys or other trust moneys required by Sections 8.10, 10.03 or 10.04 of the Original Indenture to be deposited with the Trustee, may be redeemed on any date and, if redeemed prior to May 1, 2029, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.03, and if redeemed on any date on or after May 1, 2029, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed for such redemption plus an amount equal to 100% of the principal amount thereof, for optional redemptions occurring on or after May 1, 2029.

Section 1.05. In the event that all or any part of the bonds of Series K shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series K shall be entitled to be paid thereafter an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to May 1, 2029, or, if such redemption occurs on or after May 1, 2029, then the registered owners of such bonds shall be entitled to be paid thereafter an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus 100% of the principal amount thereof.

Section 1.06. Bonds of Series K, upon surrender thereof at the principal corporate trust office of the Trustee, may be exchanged for the same aggregate principal amount of other fully registered bonds of that Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series K, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

Section 1.07. Upon the execution of this Eleventh Supplemental Indenture and upon compliance with all applicable provisions of Articles Four and Five of the Original Indenture, the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the order of the Company, bonds of Series K in the form of registered bonds without coupons in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000).

Article Two

Redemption

Section 2.01. In the case of any required or optional sinking fund redemption pursuant to Section 1.02 hereof, forthwith after the April 1 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.03 or 1.04, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, pursuant to the provisions of Article Seven of the Original Indenture, shall

(a) select for redemption a principal amount of bonds of Series K equal to the amount to be redeemed on the next ensuing required sinking fund redemption date or designated optional redemption date, as the case may be, so that the principal amount to be redeemed of bonds of such series then held by each holder shall bear the same ratio to the total principal amount of all bonds of such series then to be redeemed as the total principal amount of all bonds of such series then held by such holder bears to the total principal amount of all bonds of such series then outstanding;

(b) notify the Company of the bonds of Series K to be so redeemed; and

(c) give notice of redemption of such bonds of Series K, as provided in Sections 7.02, 7.03, 7.04 and 7.05 of the Original Indenture, to take effect on the then ensuing required sinking fund redemption date or other applicable date of redemption for such bonds of Series K, as the case may be.

The Company covenants that it will pay to the Trustee

(i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof, and

(ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article Seven of the Original Indenture) of any redemption pursuant to Section 1.03 or 1.04 hereof, the amount payable in accordance with such notice.

At the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

Article Three

Covenants of the Company

Section 3.01. The Company covenants that it will not declare or pay dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of, or make any other distribution through reduction of capital or otherwise, in respect of, any shares of its common stock if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 2000, plus the amount of all dividends declared or accrued on any class of preferred stock of the Company subsequent to December 31, 2000, and any amounts charged to net income after December 31, 2000 in connection with the purchase or retirement of any shares of preferred stock of the Company would exceed an amount equal to net income of the Company available for dividends after December 31, 2000, plus the sum of $3,735,000.

The term "net income", as applied to any period shall mean the net income (or deficit) of the Company for such period properly transferable to its earned surplus, all computed, if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises, in accordance with such uniform system; otherwise in accordance with accepted accounting practice, and in any event by deducting from the aggregate gross revenues of the Company for such period all expenses required to be deducted in computing earnings available for interest charges for such period in accordance with Section 4.02B of the Original Indenture (as amended by Section 1.01 of the Fourth Supplemental Indenture), and also by deducting all interest requirements, taxes, amortization of debt discount and expense and other deferred charges, and all other non-operating expenses for such period.

Article Four

Miscellaneous Provisions

Section 4.01. The Company covenants that, except as to that part of the trust estate which may hereafter be acquired by it, it is now well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Eleventh Supplemental Indenture and to subject such physical properties to the lien of the Original Indenture as heretofore and hereby supplemented; and that, subject to the provisions of the Original Indenture as heretofore and hereby supplemented, it has and will preserve good and indefeasible title to all such physical properties and will warrant and forever defend the same to the Trustee against the claims of all persons whomsoever.

Section 4.02. The use of terms and the construction of the provisions hereof shall be in accordance with the definitions, uses and constructions contained in the Original Indenture as heretofore and hereby supplemented.

Section 4.03. The Trustee shall be entitled to, may exercise and shall be protected by, where and to the full extent that the same are applicable, with respect to the Series K bonds herein provided for, all the rights, powers, privileges, immunities and exemptions

provided in the Original Indenture as so supplemented as if the provisions concerning the same were incorporated herein at length. The Trustee under the Original Indenture shall *ex officio* be Trustee hereunder. The recitals and statements in this Eleventh Supplemental Indenture and in the Series K bonds (other than the Trustee's Certificate attached thereto) shall be taken as statements by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Supplemental Indenture or of the Series K bonds, and the Trustee makes no covenant or representation, and shall not be responsible, as to and for the effect, authorization, execution, delivery or recording of this Eleventh Supplemental Indenture. The Trustee shall not be taken impliedly to waive by this Eleventh Supplemental Indenture any right it would otherwise have. As provided in the Original Indenture, this Eleventh Supplemental Indenture shall hereafter form a part of the Original Indenture as heretofore supplemented.

The remedies and provisions of the Original Indenture as so supplemented applicable in case of any default by the Company thereunder are hereby adopted and made applicable in case of any default with respect to the properties included herein and, without limitation of the generality of the foregoing, there are hereby conferred upon the Trustee the same powers of sale and other powers over the properties described herein as are expressly to be conferred by the original Indenture as heretofore supplemented.

Section 4.04. The Series K Bonds issued under this Eleventh Supplemental Indenture are subject not only to the terms of the Original Indenture, but also to all amendments to the Original Indenture set forth in the supplemental indentures thereto.

Section 4.05. This Eleventh Supplemental Indenture shall become void when the Original Indenture shall be void.

Section 4.06. This Eleventh Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4.07. The cover of this Eleventh Supplemental Indenture and all article and descriptive headings herein are inserted for convenience only, and shall not effect any construction or interpretation hereof.

In Witness Whereof, Concord Electric Company has caused this instrument to be executed in its corporate name by its President, one of its Vice Presidents or its Treasurer and its corporate seal to be hereunto affixed and to be attested by the Secretary of the Board of Directors or its Secretary, and State Street Bank and Trust Company, to evidence its acceptance of the trust hereby created, has caused this instrument to be executed in its corporate name and its corporate seal to be hereunto affixed by one of its authorized officers, all as of the day and year first above written.

Attest:
/s/ Sandra L. Whitney
Secretary

Concord Electric Company
By: /s/ Mark H. Collin
Name: Mark H. Collin
Title: Treasurer

Signed, sealed and delivered by
Concord Electric Company
in the presence of us:
/s/ Charles J. Kershaw, Jr.
/s/ Michael J. Burke

(Corporate Seal)

State Street Bank and Trust Company,
Trustee

By: /s/ Roland S. Gustafsen
Authorized Officer

Signed, sealed and delivered by
State Street Bank and Trust
Company in the presence of us:
/s/ Dori Anne Seakas
/s/ John A. Brennan

(Corporate Seal)

State of New Hampshire)
) SS
County of Rockingham)

On this 26th day of April, 2001, before me personally appeared Mark H. Collin, to me personally known, who, being by me duly sworn, did say that he is the Treasurer of Concord Electric Company, that the seal affixed to the foregoing instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors; and the said Treasurer acknowledged said instrument to be the free act and deed of said corporation.

/s/ Chad R. Dixon
Notary Public
My Commission Expires: January 4, 2006

(Notarial Seal)

Commonwealth of Massachusetts)
) SS
County of Suffolk)

On this 27th day of April, 2001, before me personally appeared Roland S. Gustafsen, to me personally known, who being by me duly sworn, did say that he is an authorized officer of State Street Bank and Trust Company, and that the foregoing instrument was signed by him on behalf of said Bank by authority of its Board of Directors; and the said Assistant Vice President acknowledged said instrument to be the free act and deed of said Bank.

/s/ Dorothy M. Clark
Notary Public
My Commission Expires: October 27, 2006
(Notarial Seal)

Endorsement

State Street Bank and Trust Company, Trustee, being the Mortgagee under the foregoing Eleventh Supplemental Indenture, hereby consents to the cutting of any timber standing upon any of the lands conveyed by the said Eleventh Supplemental Indenture and to the sale of any such timber so cut as well as any personal property conveyed by said Eleventh Supplemental Indenture to the extent, but only to the extent, that such cutting and sale is permitted under the provisions of the Mortgage referred to in said Eleventh Supplemental Indenture.

Dated: Boston, Massachusetts, April 27, 2001.

State Street Bank and Trust Company,
Trustee

By:/s/ Roland S. Gustafsen
Authorized Officer

Signed, sealed and delivered by
State Street Bank and Trust
Company in the presence of us:

/s/ Dori Anne Seakas
/s/ John A. Brennan

Concord Electric Company
Eleventh Supplemental Indenture
Schedule A

DESCRIPTION OF CERTAIN LAND AND EASEMENTS

ACQUIRED BY THE COMPANY SINCE SEPTEMBER 1, 1998

I. PARCELS ACQUIRED

None since date set forth above.

II. EASEMENTS AND RIGHTS ACQUIRED FOR TRANSMISSION LINE PURPOSES

A. Transmission Line Easement conveyed by Utility Easement deed of Capital Regional Development Council to Concord Electric Company dated May 27, 1999 recorded in Merrimack County Registry of Deeds at Book 2158, Page 842.

B. Transmission Line Easement conveyed by instrument entitled Addition to Utility Easement granted by Capital Regional Development Council to Concord Electric Company dated December 21, 2000 recorded in Merrimack County Registry of Deeds at Book 2236, Page 1542.

C. Transmission Line Easement conveyed by Utility Easement deed of Irene C. Bridges to Concord Electric Company dated February 12, 2001 and recorded in Merrimack County Registry of Deeds at Book 2243, Page 601.

D. Transmission Line Easement conveyed by Utility Easement deed of Merrimack Valley School District to Concord Electric Company dated March 7, 2001 recorded in Merrimack County Registry of Deeds at Book 2253, Page 3.

III. LEASEHOLD INTEREST

None since date set forth above.

DESCRIPTION OF CERTAIN LAND AND EASEMENTS
CONVEYED BY THE COMPANY SINCE SEPTEMBER 1, 1998

I. PARCELS CONVEYED

None since date set forth above.

II. EASEMENTS AND OTHER RIGHTS CONVEYED

A. Easement and other rights conveyed by Quitclaim Deed and Release of Utility Easements of Concord Electric Company to Capital Regional Development Council dated

October 29, 1999 and recorded in Merrimack County
Registry of Deeds at Book 2182, Page 436.

Schedule B

(Form of Series K Fully Registered Bond without Coupons)

No. KR $_____

Concord Electric Company

First Mortgage Bond, Series K, 8.00%
Due May 1, 2031

Concord Electric Company, a corporation organized under the laws of the State of New Hampshire (hereinafter called the *"Company"*), for value received, hereby promises to pay to _____ or registered assigns, on the first day of May, 2031, the principal sum of _____ Dollars ($_____) and to pay interest thereon from the date hereof at the rate of eight per centum (8.00%) per annum (computed on the basis of a thirty (30) day month and a three hundred sixty (360) day year) payable quarterly in arrears on the first day of February, May, August and November in each year, commencing with the first day of August, 2001, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest at the rate of 10.00% per annum. The principal of, premium, if any, and the interest on this bond shall be payable at the principal corporate trust office of State Street Bank and Trust Company, in Boston, Massachusetts, or at the principal corporate trust office of its successor as Trustee of the trust hereinafter referred to, or at the option of certain holders in accordance with the provisions of Section 1.01 of the Eleventh Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series K, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the *"Original Indenture"*) duly executed and delivered by the Company to Old Colony Trust Company (State Street Bank and Trust Company being successor Trustee and together with each predecessor trustee being called the *"Trustee"*), to which Original Indenture and to all Indentures supplemental thereto, including a Eleventh Supplemental Indenture (the *"Eleventh Supplemental Indenture"*) dated as of April 20, 2001 (herein together called the *"Indenture"*) reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series K are entitled to the benefit of a required sinking fund provided for in the Eleventh Supplemental Indenture and shall become subject to redemption for the purposes of such sinking fund at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in the Ninth Supplemental Indenture.

Bonds of this Series K are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.03 of the Eleventh Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.04 of the Eleventh Supplemental Indenture, Series K bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.04, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series K shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization,

dissolution or liquidation of the Company, or otherwise, the registered owners of such Series K bonds shall be entitled to be paid therefor an amount specified in Section 1.05 of the Eleventh Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series K bonds, or of any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision thereof made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of Series K upon surrender thereof at said office may be exchanged for the same aggregate principal amount of fully registered bonds of Series K of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, any of the provisions of the Indenture or of any instrument supplemental thereto may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided*, *however*, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment of penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

In Witness Whereof, Concord Electric Company has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer or one of its Assistant Treasurers, and this bond to be dated the _____ day of _____, 2001.

Concord Electric Company

By
Name:_____
Title:_____

attest: _____

Treasurer

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series K)

This is one of the First Mortgage Bonds, Series K, referred to in the within mentioned Indenture.

State Street Bank and Trust Company
Trustee

By:_____
Authorized Officer

(Form of Notation of Payments on Account of Principal)

Payments on Account of Principal

Date	Amount Paid	Signature

(Form of Endorsement)

for value received the undersigned hereby sells, assigns and transfers unto _____ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing _____ _____ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

Dated: _____ _____
Signature of Registered Owner

In the presence of _____

notice: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

bs70448.2

Concord Electric Company

to

State Street Bank and Trust Company, Trustee

Tenth

Supplemental Indenture

Dated as of January 15, 2001

This Supplemental Indenture, dated and entered into as of January 15, 2001, by and between Concord Electric Company, a corporation duly organized and existing under the laws of the State of New Hampshire (hereinafter commonly referred to as the *"Company"*) (its Federal tax identification number being 02-0121400) and State Street Bank and Trust Company, a Massachusetts trust company, as successor Trustee to Old Colony Trust Company under the Indenture of Mortgage and Deed of Trust referred to in the first recital hereof (hereinafter, together, as appropriate, with each predecessor trustee, commonly referred to as the *"Trustee"*);

Witnesseth:

Whereas, the Company heretofore duly executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust (hereinafter generally referred to as the *"Original Indenture"* and sometimes referred to, with each and every other instrument, including this Supplemental Indenture, which the Company may execute with the Trustee and which is therein stated to be supplemental to the Original Indenture, as the *"Indenture"*), dated as of July 15, 1958, but actually executed on September 18, 1958, and recorded, among other places, in Merrimack County, New Hampshire, Registry of Deeds, Volume 832, Page 96, and in the Office of the City Clerk of the City of Concord, New Hampshire, Volume 188, Page 156 and duly recorded First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth of July 1, 1975, as of March 28, 1984, as of June 1, 1984, as of October 29, 1987, as of August 29, 1991, as of October 14, 1994 and as of September 1, 1998, respectively, to which this instrument is supplemental and in modification and confirmation thereof, whereby substantially all of the properties of the Company used by it in its electric business, whether then owned or were given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed to the Trustee, its successors and assignees, in trust upon the terms and conditions set forth therein to secure bonds of the Company issued and to be issued thereunder, and for other purposes more particularly specified therein; and

Whereas, effective January 4, 1971 Old Colony Trust Company was merged into The First National Bank of Boston, which thereupon succeeded to the trusts under the Indenture; and

Whereas, effective May 1, 1996 The First National Bank of Boston resigned as trustee under the Indenture and the Company appointed State Street Bank and Trust Company as successor trustee, which accepted such appointment and thereupon succeeded to

the trusts under the Indenture; and

Whereas, there are now outstanding under the Mortgage $6,000,000 in principal amount of First Mortgage Bonds, Series I, and $10,000,000 in principal amount of First Mortgage Bonds, Series J; and

Whereas, the Company wishes to amend certain provisions of the Indenture; and

Whereas, Article Sixteen of the Original Indenture authorizes modification of the provisions of the Indenture and prescribes appropriate procedures for this purpose, including the execution of a supplemental indenture between the Company and the Trustee setting forth the modifications to be adopted; and

Whereas, the holders of all outstanding Bonds have assented to and authorized the Trustee to enter into this Tenth Supplemental Indenture and have assented to the modifications to the Indenture as provided herein;

Now, Therefore, in consideration of the premises, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Original Indenture and the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Supplemental Indentures and in performance of and compliance with the provisions thereof, it is hereby covenanted, declared and agreed, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions, viz.:

Article One

Amendments to Original Indenture

Section 1.01. The form of certificate of net bondable expenditures contained in Section 4.01 of the Original Indenture is hereby restated in its entirety to read as set forth in Annex A hereto.

Section 1.02. Section 4.04 of the Original Indenture is hereby restated in its entirety to read as follows:

> "*Section 4.04*. Additional bonds of any series issued after the execution and delivery of the Tenth Supplemental Indenture may be issued hereunder to the extent of sixty-eight per cent (68%) of net bondable expenditures for property additions; provided that property additions bonded prior to the execution and delivery of the Tenth Supplemental Indenture on the basis of sixty per cent (60%) of net bondable expenditures for property additions shall be recalculated on the basis of sixty-eight per cent (68%) thereof, all as shown by the certificate of net bondable expenditures required by subparagraph (1) of Section 4.05 hereof; provided further that the earnings available for interest charges as shown by the certificate required by subparagraph (3) of said Section 4.05 hereof are equal at least to two (2) times the annual interest requirements stated in such certificate."

Section 1.03. The lead-off clause of Section 6.02 of the Original Indenture is hereby restated in its entirety to read as follows:

> "*Section 6.02.* Cash received by and on deposit with the Trustee under the provisions of this Article after the execution and delivery of the Tenth Supplemental Indenture may on orders of the Company be withdrawn, from time to time, to the extent of sixty-eight per cent (68%) of net bondable expenditures for property additions provided that property additions bonded prior to the execution and delivery of the Tenth Supplemental Indenture on the basis of sixty per cent (60%) of net bondable expenditures for property additions shall be recalculated on the basis of sixty-eight per cent (68%) thereof, all as shown in the pertinent certificate responsive to subparagraph (1) of this Section, upon receipt by the Trustee of:"

Article Two

Miscellaneous Provisions

Section 2.01. The Company covenants that, except as to that part of the trust estate which may hereafter be acquired by it, it is now well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Tenth Supplemental Indenture and to subject such physical properties to the lien of the Original Indenture as heretofore and hereby supplemented; and that, subject to the provisions of the Original Indenture as heretofore and hereby supplemented, it has and will preserve good and indefeasible title to all such physical properties and will warrant and forever defend the same to the Trustee against the claims of all persons whomsoever.

Section 2.02. The use of terms and the construction of the provisions hereof shall be in accordance with the definitions, uses and constructions contained in the Original Indenture as heretofore and hereby supplemented.

Section 2.03. The Trustee shall be entitled to, may exercise and shall be protected by, where and to the full extent that the same are applicable, all the rights, powers, privileges, immunities and exemptions provided in the Original Indenture as so supplemented as if the provisions concerning the same were incorporated herein at length. The Trustee under the Original Indenture shall *ex officio* be Trustee hereunder. The recitals and statements in this Tenth Supplemental Indenture shall be taken as statements by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Supplemental Indenture, and the Trustee makes no covenant or representation, and shall not be responsible, as to and for the effect, authorization, execution, delivery or recording of this Tenth

Supplemental Indenture. The Trustee shall not be taken impliedly to waive by this Tenth Supplemental Indenture any right it would otherwise have. As provided in the Original Indenture, this Tenth Supplemental Indenture shall hereafter form a part of the Original Indenture as heretofore supplemented.

The remedies and provisions of the Original Indenture as so supplemented applicable in case of any default by the Company thereunder are hereby adopted and made applicable in case of any default with respect to the properties included herein and, without limitation of the generality of the foregoing, there are hereby conferred upon the Trustee the same powers of sale and other powers over the properties described herein as are expressly to be conferred by the Original Indenture as heretofore supplemented.

Section 2.04. Whenever reference is made in this Tenth Supplemental Indenture to a Section or an Article of the Original Indenture and such Section or Article has been amended by this instrument or any of the indentures supplemental to the Original Indenture enumerated hereinabove, or two or more of them, then such reference shall be to such Section or Article as so amended, whether or not herein expressly so stated.

Section 2.05. The Company, at its own cost and expense, will forthwith, upon the execution and delivery by the parties hereto of this Tenth Supplemental Indenture, cause the same to be recorded pursuant to law in all offices for the recording of mortgages of real or personal property in which such recordation is necessary in order to perfect and protect the lien hereof, and, in any event, in all such offices in which it has caused or may cause the Original Indenture to be recorded.

Section 2.06. This Tenth Supplemental Indenture shall become void when the Original Indenture shall be void.

Section 2.07. This Tenth Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 2.08. The cover of this Tenth Supplemental Indenture and all article and description headings herein are inserted for convenience only, and shall not effect any construction or interpretation hereof.

In Witness Whereof, Concord Electric Company has caused this instrument to be executed in its corporate name by its President, one of its Vice Presidents or its Treasurer and its corporate seal to be hereunto affixed and to be attested by the Secretary of the Board of Directors or its Secretary, and State Street Bank and Trust Company, to evidence its acceptance of the trust hereby created, has caused this instrument to be executed in its corporate name and its corporate seal to be hereunto affixed by one of its authorized officers, all as of the day and year first above written.

(Corporate Seal)

Attest: Concord Electric Company

/s/ Sandra L. Whitney By: /s/ Mark H. Collin

Secretary Name: Mark H. Collin

Title: Treasurer

Signed, sealed and delivered by
Concord Electric Company
in the presence of:

/s/ Charles J. Kershaw, Jr.

State Street Bank and Trust Company, Trustee

By: /s/Laura S. Cawley

Authorized Officer

(Corporate Seal)

Signed, sealed and delivered by
State Street Bank and Trust
Company in the presence of:

/s/ John A. Brennan

State of New Hampshire)
) SS
County of Rockingham)

On this 23rd day of March, 2001, before me personally appeared Mark H. Collin, to me personally known, who, being by me duly sworn, did say that he is the Treasurer of Concord Electric Company, that the seal affixed to the foregoing instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors; and the said Mark H. Collin acknowledged said instrument to be the free act and deed of said corporation.

/s/ Chad R. Dixon

Notary Public

My Commission Expires: January 4, 2006

(Notarial Seal)

Commonwealth of Massachusetts)
) SS
County of Suffolk)

On this 6th day of April, 2001, before me personally appeared Laura S. Cawley, to me personally known, who, being by me duly sworn, did say that she is an authorized officer of State Street Bank and Trust Company, and that the foregoing instrument was signed by her on behalf of said Bank by authority of its Board of Directors; and the said Assistant Vice President acknowledged said instrument to be the free act and deed of said Bank

/s/ Paul A. Preziosi

Notary Public

My Commission Expires: November 24, 2006

(Notarial Seal)

Endorsement

State Street Bank and Trust Company, Trustee, being the Mortgagee under the foregoing Tenth Supplemental Indenture, hereby consents to the cutting of any timber standing upon any of the lands conveyed by the said Tenth Supplemental Indenture and to the sale of any such timber so cut as well as any personal property conveyed by said Tenth Supplemental Indenture to the extent, but only to the extent, that such cutting and sale is permitted under the provisions of the Mortgage referred to in said Tenth Supplemental Indenture.

Dated: Boston, Massachusetts, April 6, 2001.

State Street Bank and Trust Company, Trustee

By: /s/ Laura S. Cawley

Authorized Officer

Signed, sealed and delivered by
State Street Bank and Trust
Company in the presence of:

/s/ John A. Brennan

Annex A

The form of certificate of net bondable expenditures contained in Section 4.01 of the Original Indenture shall read as follows:

(Form of Certificate)
Concord Electric Company

Certificate of Net Bondable Expenditures for Property Additions filed with State Street Bank and Trust Company, Trustee, under Indenture of Mortgage and Deed of Trust dated as of July 15, 1958, as amended and supplemented (the *"Indenture"*).

The undersigned, _____ and _____, being President and Treasurer, respectively, of Concord Electric Company (the *"Company"*), a New Hampshire corporation, being duly sworn, depose and state as follows:

Upon application for Authentication and Delivery under Article Four of $_____ of First Mortgage Bonds, Series

(or here substitute appropriate language if certificate is in connection with withdrawal of cash or taking of credit)

the undersigned do hereby certify that the summary statements herein contained covering the period from May 31, 1958 to the date hereof are correct and complete, that the property additions for which the gross expenditures hereinafter referred to have been made constitute property additions as defined in Section 4.01A of said Indenture and that said Company is now entitled to have authenticated and delivered said amount of First Mortgage Bonds, Series

(or here substitute appropriate language with respect to the withdrawal of cash or the taking of credit)

Computation of Net Expenditures for Property Additions

(1) *Gross Expenditures for Property Additions*, beginning with June 1, 1958 to the date of this certificate	$_____

[Here insert statement respecting new gross expenditures required by (i) of Section 4.01I.]

Less

(2) *Net Retirements*, beginning with June 1, 1958 to the date of this certificate, computed as follows:		
(a) Retirements, beginning with June 1, 1958 to the date of this certificate		$_____

[Here insert statement respecting new retirements required by (ii) of Section 4.01I.]

(b) Less all moneys received by or deposited with the Trustee pursuant to: Section 8.10-$_____; Section 8.12-$_____; Section 10.03-$_____; and Section 10.04-$_____; all from June 1, 1958 to the date of this certificate	$_____	$_____

Equals

(3) *Net Expenditures for Property Additions*, beginning with June 1, 1958 to the date of this certificate:	$_____

[(1) minus (2).]

Computation of Net Bondable Expenditures for Property Additions

(As of date of filing of this Certificate)

(4) *Net Expenditures for Property Additions*, beginning with June 1, 1958 to the date of this certificate:	$_____

[Same as (3) above.]

Less

(5) * *Aggregate of Net Bondable Expenditures Heretofore Bonded*; namely, the amount certified pursuant to (5) of the last certificate filed, in the amount of $_____ plus the amount certified pursuant to (11) of said last certificate filed $_____	$_____

Equals

(6) *Net Bondable Expenditures* at date of this certificate	$_____

[(4) minus (5).]

Statement of Net Bondable Expenditures
Now to be Bonded

(7) 147.06% of total of: aggregate principal amount of bonds now to be issued under Article Four $_____; and aggregate amount of cash now to be withdrawn under Article Six $_____	$_____
(8) Total of Net Bondable Expenditures now to be appropriated under Section 8.07 $_____ and Section 12.01 $_____	$_____
(9) 147.06% of credits now to be entered against sinking and improvement funds under Article Nine	$_____
(10) Aggregate amount of cash for the withdrawal of which application is now made under (a) of Section 11.02	$_____
(11) Amount of Net Bondable Expenditures, if any, now to be bonded	$_____

[Total of (7), (8), (9) and (10).]

(12) Amount of Net Bondable Expenditures, not now to be bonded	$_____

[(6) minus (11).]

(Note: The amount of (11) cannot exceed the amount of the net bondable expenditures existing at the time of the filing of this certificate, namely, the amount certified pursuant to (6) above.)

[Here insert statements required by Section 16.11 of the Indenture.]

Dated _____

President

Concord Electric Company

Treasurer

Concord Electric Company

Subscribed and sworn to by _____, President, and _____, Treasurer, of Concord Electric Company, before me this _____ day of _____, 19 .

Notary Public

Schedule 1 to
Annex A

Paragraph (5) for the first certificate filed after the execution and delivery of the Tenth Supplemental Indenture shall contain a recalculation of property additions bonded prior thereto and shall read as follows:

(5) *Aggregate of Net Bondable Expenditures Heretofore Bonded*, recalculated as follows:

(a) Total Net Bondable Expenditures certified pursuant to (5) of the last certificate filed, in the amount of $31,221,518 plus the amount certified pursuant to (11) of said last certificate filed in the amount of $9,083,334 for a total of $40,304,852, all of which were bonded on the basis of a ratio of property additions bonded to bonds issued of 166-2/3% (or a ratio of bonds issued to property bonded of 60%).

(b) Amount of bonds previously issued under Net Bondable Expediture certificates assuming $40,304,852 of bonded property additions were used to issued bonds - $40,304,852 divided by 166-2/3% or $24,182,911 aggregate principal amount of bonds previously issued.

(c) Amount of Net Bondable Expenditures for Property Additions which would have been bonded if bonds issued in (5)(b) above had been issued on the basis of a ratio of bonds issued to property additions bonded of 68% - $24,182,911 divided by 68% or $35,563,104

bs70446.2

Concord Electric Company

$7,500,000 Aggregate Principal Amount of First Mortgage Bonds

due May 1, 2031

Bond Purchase Agreement

Dated as of April 20, 2001

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-

Schedules and Exhibits:

Schedule I - Name and Address of Purchaser
Exhibit A - Form of Eleventh Supplemental Indenture
Exhibit B - Form of Opinion of Special Counsel for the Purchaser
Exhibit C - Form of Opinion of Counsel for the Company

Concord Electric Company
6 Liberty Lane West
Hampton, New Hampshire 03842-1720

Dated as of April 20, 2001

Provident Life and Accident Insurance Company

c/o Provident Investment Management, LLC

One Fountain Square

Chattanooga, Tennessee 37402

Ladies and Gentlemen:

Concord Electric Company (the *"Company"*), a New Hampshire corporation, agrees with you as follows:

Section 1. Authorization of Bonds.

The Company has authorized the issue and sale of $7,500,000 principal amount of its First Mortgage Bonds, Series K due May 1, 2031 (the *"Bonds")*, such Bonds to be substantially in the form attached as Schedule B to the form of Eleventh Supplemental Indenture, attached hereto as Exhibit A, to the Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 from the Company to Old Colony Trust Company, which has been succeeded by State Street Bank and Trust Company, a Massachusetts trust company (the *"Trustee"*). The Eleventh Supplemental Indenture, in the form attached hereto as Exhibit A (with such changes to such form as you and the Company may agree to prior to the Closing Date), is herein referred to as the *"Eleventh Supplemental Indenture"*. The Company's Indenture of Mortgage and Deed of Trust dated as of July 15, 1958, as previously supplemented by ten Supplemental Indentures thereto and as supplemented by the Eleventh Supplemental Indenture, is referred to as the *"Indenture"*. You are sometimes referred to herein as the *"Purchaser"*. Capitalized terms used herein are defined in Section 11 hereof.

The Bonds will be issued under and secured by the Indenture and the Eleventh Supplemental Indenture.

Section 2. Sale and Purchase of Bonds.

The Company will issue and sell to the Purchaser and, subject to the terms and conditions hereof, the Purchaser will purchase from the Company, at a purchase price of 100% of the principal amount thereof, on the Closing Date, Bonds in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000).

Section 3. Closing.

The closing of the sale and purchase of the Bonds (the *"Closing")* shall take place at the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., 260 Franklin Street, Boston, Massachusetts 02110 at 10:00 a.m., Boston time on May 1, 2001 or on such other business day not later than May 4, 2001 as may be mutually agreed upon by the Purchaser and the Company (the *"Closing Date*). At the Closing the Company will deliver to the Purchaser the Bonds in the form of a single registered Bond (unless different denominations are specified by you) dated the Closing Date for the full amount of the purchase price and registered in Purchaser's name or in the name of Purchaser's nominee, all as Purchaser may specify at any time prior to the date fixed for delivery, against receipt of the purchase price payable by wire transfer of immediately available funds to such account as the Company shall notify the Purchaser in writing at least two days prior to the Closing Date. If at the Closing the Company shall fail to tender such Bond as provided herein, or if at the Closing any of the conditions specified in Section 4 shall not have been fulfilled, the Purchaser shall, at its election, be relieved of all further obligations to purchase Bonds under this Agreement, without thereby waiving any other rights it may have by reason of such failure or such nonfulfillment.

Section 4. Conditions to Closing.

The obligation of the Purchaser to purchase the Bonds to be sold to it at the Closing is subject to the fulfillment, prior to or at the Closing, of the following conditions:

Section 4.1. Representations and Warranties

. The representations and warranties of the Company in Section 5 shall be correct when made and at the time of the Closing.

Section 4.2. Performance; No Default

. The Company shall have performed and complied with all agreements and conditions contained herein required to be performed or complied with by it prior to or at the Closing, and at the time of the Closing no condition or event shall exist which constitutes or which, after notice or lapse of time or both, would constitute an Event of Default.

Section 4.3. Compliance Certificate

. The Company shall have delivered to the Purchaser an Officers' Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1 and 4.2 hereof have been fulfilled.

Section 4.4. Regulatory Approvals

. The issue and sale of the Bonds shall have been duly authorized by order of the New Hampshire Public Utilities Commission (the *"NHPUC")*, such order shall be in full force and effect at the time of the Closing and all appeal periods applicable to such order shall have expired.

Section 4.5. Legal Opinions

. The Purchaser shall have received from Chapman and Cutler, who are acting as its special counsel in this transaction and from LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel for the Company, their respective opinions, dated the Closing Date, substantially in the form of Exhibits B and C attached hereto.

Section 4.6. Compliance with the Indenture

. The Company shall have performed and complied with all agreements and conditions contained in the Indenture which are required to be performed or complied with by the Company for the issuance of the Bonds.

Section 4.7. Proceedings and Documents

. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Purchaser and its special counsel, and the Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

Section 4.8. Private Placement Number

. The Company shall have obtained from Standard & Poor's Corporation and provided to you a Private Placement Number for the Bonds.

Section 5. Representations and Warranties of the Company.

The Company represents and warrants that:

Section 5.1. Organization, Standing, Due Authorization

. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New Hampshire and has all requisite corporate power and authority to own and operate its properties, to carry on its business as now conducted, to enter into this Agreement, to issue and sell the Bonds and to carry out the terms hereof and thereof. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Company's Board of Directors, and no approval of the stockholders of the Company is required in connection therewith.

Section 5.2. Capitalization

. The Company's authorized and outstanding capital stock is as follows:

Title of Class Shares Authorized Shares Outstanding Common Stock, no par value 250,000 131,745 Cumulative Preferred Stock, $100 par value, 8.70% Series 5,000 2,150 Non-Cumulative Preferred Stock, $100 par value, 6.00% Series 2,250 2,250 All of the Company's outstanding capital stock is validly issued, fully paid and non-assessable.

Section 5.3. Subsidiaries

. Other than holdings of capital stock which, individually and in the aggregate, are immaterial to the business and financial condition of the Company, the Company does not own any shares of capital stock or shares of beneficial interest of any corporation or other entity.

Section 5.4. Qualification

. In all jurisdictions where the Company owns real property or maintains any place of business, it is either qualified to do business and in good standing or such qualification can readily be obtained without substantial penalty and the failure to qualify in jurisdictions where the Company has not done so will not have a Material Adverse Effect.

Section 5.5. Franchises; Etc

. The Company has all franchises, certificates of convenience and necessity, operating rights, licenses, permits, consents, approvals, authorizations and orders of governmental bodies, political subdivisions and regulatory authorities, free from unduly burdensome restrictions, as are reasonably necessary for the ownership of the properties now owned and operated by it, the maintenance and operation of the properties now operated by it and the conduct of the business now conducted by it.

Section 5.6. Financial Statements

. (a) The Company has furnished to the Purchaser the Company's financial statements for each of its fiscal years ended December 31, 1997, 1998, 1999 and 2000, containing balance sheets as at the end of such fiscal years and the related statements of earnings, retained earnings and cash flows the Company for such fiscal years, as certified by Grant Thornton, independent certified public accountants.

(b) Subject to any qualifications set forth in the accompanying reports of independent certified public accountants, all such financial statements are complete and correct (subject, in the case of such unaudited financial statements, to year-end and audit adjustments) and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis

throughout the periods covered thereby. Such balance sheets (together with the pertinent notes thereto) fairly present the financial condition of the Company as at the respective dates indicated, and in each case reflect all known liabilities, contingent or otherwise, at such dates, all in accordance with generally accepted accounting principles, and such statements of earnings, retained earnings and cash flows fairly present the results of the operations of the Company for the respective periods indicated.

Section 5.7. Changes; Etc

. Since December 31, 2000: (a) except as disclosed in the reports on Forms 10-K and 10-Q filed by Unitil Corporation (*"Unitil"*), owner of all of the outstanding common stock of the Company, with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the *"10-K and 10-Q Reports"*), there has been no material adverse change in the assets, liabilities or financial condition of the Company from that reflected in the balance sheet as at December 31, 2000 referred to in Section 5.6 or otherwise previously disclosed in writing, other than changes in the ordinary course of business; (b) neither the business, operations or affairs of the Company nor any of its properties or assets have been materially adversely affected by any occurrence or development (whether or not insured against) except as disclosed in the 10-K or the 10-Q Reports or otherwise previously disclosed in writing; and (c), except as otherwise disclosed in writing, the Company has not, prior to the Closing Date, directly or indirectly, declared, paid or made any dividend or distribution on or on account of any shares of capital stock of the Company or any redemption, retirement, purchase or other acquisition of any shares of capital stock of the Company, or agreed to do so, except for the payment of regular cash dividends on its Cumulative Preferred Stock and purchases of Cumulative Preferred Stock under applicable sinking fund provisions.

Section 5.8. Tax Returns and Payments

. All tax returns of the Company required by law to be filed have been duly filed, and all taxes, assessments, fees and other governmental charges upon the Company shown to be due on such returns have been paid. The federal income tax liability of the Company has been finally determined by the Internal Revenue Service and satisfied through the fiscal year ended December 31, 1993. The charges, accruals and reserves on the books of the Company in respect of income taxes for all fiscal periods are adequate in the opinion of the Company and, except as disclosed in the 10-K and the 10-Q Reports, the Company knows of no unpaid assessment for additional income taxes for any fiscal period or of any basis therefor.

Section 5.9. Title to Properties

. (a) The Company has good and marketable title to all the real property and a good and valid ownership interest in all the other assets reflected in the most recent balance sheet referred to in Section 5.6 or subsequently acquired, other than real property and other assets subsequently sold or otherwise disposed of in the ordinary course of business, subject in each case to no Liens except (i) the Lien created by the Indenture and (ii) other Liens permitted by the Indenture which do not materially detract from the value of the respective properties subject thereto or materially impair the operations of the Company.

(b) The Properties specifically to be included as mortgaged as set forth in the granting clauses of the Indenture (including the granting clauses included in the Eleventh Supplemental Indenture), other than properties released from the lien thereof pursuant to the terms thereof, are owned by the Company, located in New Hampshire and constitute substantially all of the Property of the Company except certain Property which is not "public utility property" (as defined in Section 10.04A of the Indenture), which Property has heretofore been duly released from the lien of the Indenture pursuant to Section 10.04A thereof (the *"Excepted Property"*). All of the real estate and other Property which is reflected in the balance sheet of the Company as of December 31, 2000 referred to in Section 5.6, and all of the rights of way, easements, grants, permits, privileges, franchises and other rights necessary to the operation of said Property, are subject to the Indenture as a first lien thereon (subject only to Liens permitted by the Indenture) except properties expressly excluded from said lien of the Indenture by the provisions thereof (including the Excepted Property). The Company has not agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its Property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by the Indenture.

(c) None of the Properties or assets reflected in the balance sheet of the Company as of December 31, 2000 referred to in Section 5.6 is held by the Company as lessee under any lease (other than certain leasehold improvements which are being written off over the life of the lease) or as conditional vendee under any conditional sales contract or other title retention agreement.

Section 5.10. Litigation; Etc

. There is no action, proceeding or investigation pending or, to the Company's knowledge, threatened (or any basis therefor known to the Company) which questions the validity of this Agreement or the Bonds or any action taken or to be taken pursuant hereto or thereto, nor, except as disclosed in the 10-K or the 10-Q Reports, is there any action, proceeding or investigation pending or, to the Company's knowledge, threatened (or any basis therefor known to the Company) which might result, either in any case or in the aggregate, in any material adverse change in the business, operations, affairs or condition of the Company or its Properties and assets or in any material liability on the part of the Company.

Section 5.11. Compliance with Other Instruments, Etc

. The Company is not in violation of any term of its Articles of Association or By-Laws, or, to the Company's knowledge, in violation of any term of any franchise, license, permit, agreement, indenture, instrument, judgment, decree, order, statute, or governmental rule or regulation applicable to it so as to materially and adversely affect, either individually or in the aggregate, its financial condition; and the execution, delivery and performance of this Agreement and the Bonds will not result in any such

violation or be in conflict with or constitute a default under any term of any of the foregoing and will not result in the creation of any mortgage, lien, charge or encumbrance upon any of the Properties or assets of the Company pursuant to any such term.

Section 5.12. ERISA

. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the Code, other than such liabilities or liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in Section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in Section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Series K Bonds hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of the Purchaser's representation in Section 7(b) as to the sources of the funds used to pay the purchase price of the Bonds.

Section 5.13. Regulatory Jurisdiction and Approvals

. The Company is subject to regulation by the NHPUC with respect to retail rates, adequacy of service, issuance of securities, accounting and other matters; and to regulation by the SEC under the Public Utility Holding Company Act of 1935, as amended (the *"Holding Company Act"*) with respect to issuance of securities and certain other matters. The issuance and sale of the Bonds has been authorized by order of the NHPUC, which has become final and all applicable appeal periods with respect to the NHPUC order have expired. Although a post-sale filing with the SEC on Form U-6B-2 is required, the issuance and sale of the Bonds is not subject to the prior approval of the SEC under the Holding Company Act. No order, consent, approval or authorization of, or any declaration or filing with, any other governmental agency or authority is required as a condition precedent to the valid offering, issue, sale and delivery of the Bonds by the Company and the consummation by the Company of the transactions contemplated hereby.

Section 5.14. Patents; Trademarks; Etc

. The Company owns or possesses all of the patents, trademarks, service marks, trade names and copyrights, and all rights of use with respect to the foregoing, necessary for the conduct of its business as now conducted, without any known conflict with the rights of others.

Section 5.15. Offer of Bonds

. Neither the Company nor anyone authorized to act on its behalf has directly or indirectly offered or will offer the Bonds or any part thereof or any similar securities for issue or sale to, or solicited or will solicit any offer to acquire any of the same from, or has otherwise approached or negotiated or will approach or negotiate in respect thereof with anyone other than the Purchaser and not more than 124 other institutional investors. Neither the Company nor anyone authorized to act on its behalf has taken or will take any action which will subject the issuance and sale of the Bonds to the provisions of Section 5 of the Securities Act of 1933, as amended (the *"Securities Act").*

Section 5.16. Investment Company Act Status

. The Company is not an "investment company" or a company "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended.

Section 5.17. Federal Reserve Regulations

. The Company does not own nor has any present intention of acquiring any "margin stock" within the meaning of Regulation U (12 CFR Part 207) of the Board of Governors of the Federal Reserve System (herein called a *"margin security")*. The proceeds of the sale of the Bonds will be applied as provided in Section 6. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin security or for any other purpose which might constitute the transactions contemplated hereby a "purpose credit" within the meaning of said Regulation U, or cause this Agreement to violate Regulation U, Regulation T, Regulation X, or any other regulation of the Board of Governors of the Federal Reserve System or Section 7 of the Securities Exchange Act of 1934 (the *"Exchange Act"*), each now in effect.

Section 5.18. Foreign Credit Restraints

. Neither the consummation of the transactions contemplated by this Agreement nor the use of the proceeds of the sale of the Bonds will violate any provision of any applicable statute, regulation or order of, or any restriction imposed by, the United States of America or any authorized official, board, department, instrumentality or agency thereof relating to the control of foreign or overseas lending or investment.

Section 5.19. Disclosure

. Neither this Agreement, the financial statements referred to in Section 5.6, the 10-K and the 10-Q Reports, nor any other document, certificate or written statement furnished to the Purchaser by or on behalf of the Company in connection with the negotiation of the sale of the Bonds, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, operations, affairs or condition of the Company or its Properties or assets, which has not been set forth in this Agreement or in the other documents, certificates and written statements furnished to the Purchaser by or on behalf of the Company prior to the date of this Agreement in connection with the transactions contemplated hereby.

Section 5.20. Sale is Legal and Authorized

. The sale of the Bonds and compliance by the Company with all of the provisions of this Agreement and the Bonds -

(a) are within the corporate powers of the Company; and

(b) have been duly authorized by proper corporate action on the part of the Company (no action by the stockholders of the Company being required by law, by the Articles of Association or By-laws of the Company or otherwise); this Agreement and, when executed and delivered in accordance with the terms hereof, the Eleventh Supplemental Indenture and the Bonds, have been or will have been, as the case may be, duly executed and delivered on behalf of the Company by duly authorized officers thereof, and this Agreement and, when executed and delivered in accordance with the terms hereof, the Eleventh Supplemental Indenture and the Bonds constitute or will constitute, as the case may be, the legal, valid and binding obligations, contracts and agreements of the Company enforceable in accordance with their respective terms.

Section 5.21. No Defaults

. No Default or Event of Default has occurred and is continuing. The Company is not in default in the payment of principal or interest on any Indebtedness and is not in default under any instrument or instruments or agreements under and subject to which any Indebtedness has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

Section 5.22. Compliance with Environmental Laws

. Except as disclosed in the 10-K or the 10-Q Reports, to the best of the Company's knowledge it is not in violation of any applicable Federal, state, or local laws, statutes, rules, regulations or ordinances relating to public health, safety or the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use, handling or disposal of polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof, or other hydrocarbons), pollutants or contaminants, to exposure to toxic, hazardous or other controlled, prohibited or regulated substances which violation could have a material adverse effect on the business, prospects, profits, properties or condition (financial or otherwise) of the Company. Except as disclosed in the 10-K or the 10-Q Reports, the Company does not know of any liability or class of liability of the Company under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 *et seq.*), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 *et seq.*).

Section 6. Use of Proceeds.

The proceeds of the sale of the Bonds will be applied by the Company (i) to pay off short-term indebtedness outstanding at the time of the said sale, the proceeds of which will have been expended in the purchase and construction of Property and facilities reasonably requisite for present and future use in the conduct of the Company's business, (ii) to finance the future purchase and construction of such Property and facilities, and (iii) to defray the costs and expenses of the issue and sale of the Bonds.

Section 7. Purchaser's Representations.

(a) The Purchaser represents that the Purchaser is purchasing the Bonds for its own account for investment and not with a view to the distribution thereof and has no present intention of selling, negotiating, or otherwise disposing of the Bonds, *provided* that the disposition of the Purchaser's Property shall at all times be within its control. The acquisition of any of the Bonds by the Purchaser shall constitute the Purchaser's reaffirmation of such representation, and it is understood that in making the representations contained in Sections 5.12(e) and 5.15, the Company is relying, to the extent applicable, on the Purchaser's representation in this Section 7.

(b) The Purchaser represents that at least one of the following statements is an accurate representation as to each source of funds (a *"Source"*) to be used by the Purchaser to pay the purchase price of the Series K Bonds to be purchased by the Purchaser hereunder:

(i) the Source is an "insurance company general account" and there is no employee benefit plan with respect to which the amount, if any, of such general account's reserves and liabilities for all contracts held by or on behalf of such plan and all other plans maintained by the same employer or its affiliates or by the same employee organization exceeds 10% of the total of all reserves and liabilities of such general account at the date of purchase (all as determined under Prohibited Transaction Class Exemption ("PTE") 95-60 (issued July 12, 1995)); or

(ii) the Source is either (A) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990), or (B) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as the Purchaser has disclosed to the Company in writing pursuant to this paragraph (b)(ii)), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(iii) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a Person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (A) the identity of such QPAM and (B) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (b)(iii); or

(iv) the Source is a governmental plan; or

(v) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERlSA; or

(vi) the Source is one or more employee benefit plans, or a separate account, general account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (b)(vi).

As used in this paragraph (b), the terms "employee benefit plan," "governmental plan," "party in interest" and "separate account" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

Section 8. Covenants.

The Company covenants that, from and after the date of this Agreement and until none of the Bonds shall be outstanding:

Section 8.1. Punctual Payment

. The Company will duly and punctually pay the principal, premium, if any, and interest on the Bonds in accordance with the terms of this Agreement, the Indenture and the Bonds.

Section 8.2. Delivery Expenses

. If you surrender any Bond to the Company or the Trustee pursuant to this Agreement or the Indenture, the Company will pay the cost of transmitting between your home office and the Company or the Trustee, insured to your satisfaction, the surrendered Bond or Bonds and any Bond or Bonds issued in full or partial substitution or replacement for the surrendered Bond or Bonds.

Section 8.3. Issue Taxes

. The Company will pay all taxes in connection with the issuance and sale of the Bonds to you and in connection with any modification of the Bonds and will save you harmless without limitation as to time against any and all liabilities with respect to all such taxes. The obligations of the Company under this Section 8.3 shall survive the payment or redemption of the Bonds and the termination of this Agreement.

Section 9. Information as to the Company.

Section 9.1. Accounting; Financial Statements and Other Information

. The Company will deliver (in duplicate) to the Purchaser, so long as it is the holder of any Bonds, and to each Institutional Holder of at least 5% in principal amount of the Bonds at the time outstanding:

(a) as soon as available but in any event within ninety (90) days after the end of each of the first three quarterly fiscal periods in each year of the Company, a balance sheet of the Company at the end of such period, and a statement of earnings and retained earnings of the Company for such period and for the portion of the fiscal year ending with such period, together with a statement of cash flows for the portion of the fiscal year ending with such period, in each case setting forth in comparative form figures for the corresponding period of the previous year, all in reasonable detail and certified, subject to changes resulting from year-end and audit adjustments, by the Treasurer, an Assistant Treasurer or any Vice President of the Company;

(b) as soon as available but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, a balance sheet of the Company as at the end of such year, and a consolidated statement of earnings and retained earnings and cash flows of the Company, in each case setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of Grant Thornton or other independent public accountants of recognized national standing selected by the Company to the effect that such financial statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the prior fiscal year (except for such changes, if any, as may be specified in such opinion) and fairly present, in all material respects, the financial position of the Company as of the end of such year and the results of operations for such year, and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards;

(c) as soon as available but in any event within ninety (90) days after the end of each of the first three quarterly fiscal periods in each year of Unitil, a balance sheet of Unitil at the end of such period, and a statement of earnings and retained earnings of Unitil for such period and for the portion of the fiscal year ending with such period, together with a statement of cash flows for the portion of the fiscal year ending with such period, in each case setting forth in comparative form figures for the corresponding period of the previous year, all in reasonable detail and certified, subject to changes resulting from year-end and audit adjustments, by the Treasurer, an Assistant Treasurer or any Vice President of Unitil;

(d) as soon as available but in any event within one hundred twenty (120) days after the end of each fiscal year of Unitil, a balance sheet of Unitil as at the end of such year, and a consolidated statement of earnings and retained earnings and cash flows of Unitil, in each case setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of Grant Thornton or other independent public accountants of recognized national standing selected by Unitil to the effect that such financial statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the prior fiscal year (except for such changes, if any, as may be specified in such opinion) and fairly present, in all material respects, the financial position of Unitil as of the end of such year and the results of operations for such year, and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards;

(e) concurrently with delivery of the documents provided for in Sections 9.1(a) and (b), an Officer's Certificate, stating that the officer providing the certificate has reviewed the provisions of this Agreement and setting forth whether there existed as of the date of such financial statements and whether, to the best of such officer's knowledge, there exists on the date of the certificate or existed at any time during the period covered by such financial statements any Default or Event of Default and, if any such condition or event exists on the date of the certificate, specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto;

(f) promptly after the same are available, copies of all proxy statements, financial statements and reports as the Company or its parent shall send to its public stockholders, and copies of all reports which the Company or its parent may file with the SEC or any governmental authority at any time substituted therefor; and

(g) such other information relating to the affairs of the Company as the Purchaser or any such holder reasonably may request from time to time.

Section 9.2. Inspection

. The Company will permit any authorized representatives designated by the Purchaser, so long as it is the holder of any Bonds, or by each Institutional Holder which holds at least 5% in principal amount of the Bonds then outstanding, at the Purchaser's or such Institutional Holder's expense, to visit and inspect any of the Properties of the Company, including its books of account, to make copies and take extracts therefrom and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes such accountants to discuss with the Purchaser or any such other Institutional Holder the finances and affairs of the Company in the presence of an officer of the Company), all at such reasonable times and as often as may reasonably be requested; *provided*, that the Purchaser agrees and any such Institutional Holder by its acquisition of any Bonds shall be deemed to agree to keep confidential any nonpublic information received as a result of the rights granted in this Section 9.2, except that each such holder of the Bonds reserves the right to disclose such information (i) as may be necessary in connection with enforcing compliance with the terms and conditions of this Agreement, (ii) as may be required to governmental agencies, courts or other agencies to whose regulation such holder may be subject but only to the extent that such agencies or courts are authorized by or have apparent authority under applicable law, regulation, court order or other regulatory authority to request such information and (iii) as may be necessary to furnish to a prospective bona fide purchaser of any Bonds, any of such information which, in the reasonable opinion of the holder of such Bonds, is a material fact regarding the

Company, *provided*, that disclosure of any such information may be made to no more than two such prospective purchasers in any thirty day period, each such prospective purchaser must be eligible to be an Institutional Holder should it purchase Bonds, and the amount of Bonds which would be involved in a sale to any such prospective purchaser is at least 5% of the then-outstanding Bonds.

Section 10. Home Office Payment.

Pursuant to the provisions of Section 1.01 of the Eleventh Supplemental Indenture and notwithstanding anything in the Indenture or the Bonds to the contrary, the Company will pay or cause to be paid all sums becoming due on any Bond owned by you or your nominee in the manner specified in Schedule I hereto or as you may otherwise designate by written notice to the Company with a copy to the Trustee and all such payments shall be made without presentation or surrender of such Bond to the Trustee; *provided*, that you agree that you will not sell, transfer or otherwise dispose of any such Bond unless, prior to the delivery thereof, either (i) you shall have made a clear and accurate notation of the amount of the principal redeemed on the Bond to be transferred, or (ii) such Bond shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal redeemed on the Bond or (iii) the Bond shall have been surrendered in exchange for a new Bond for the unredeemed balance of the principal amount thereof. You agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Bond pursuant to this Section 10, you shall be required to deliver such Bond to the Trustee. Your rights under this Section 10 and Section 1.01 of the Eleventh Supplemental Indenture may be exercised by any subsequent Institutional Holder who shall enter into an agreement in writing with the Company containing the terms set forth in this Section 10 and delivery a copy thereof to the Trustee.

Section 11. Definitions; Accounting Principles.

Section 11.1. Definitions

. As used in this Agreement the following terms have the following respective meanings:

Affiliate: Any director, officer or employee of the Company and any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. The term *"control"* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities, by contract or otherwise.

Code: The Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

Default: Any event or condition the occurrence of which would, with the lapse of time or the giving of notice, or both, constitute an Event of Default.

ERISA: The Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA shall be construed to also refer to any successor sections.

ERISA Affiliate: Any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

Event of Default: An "event of default" as defined in the Indenture.

Indebtedness: Of any Person as of any date as of which the amount thereof is to be determined, shall mean all (i) obligations of such Person for borrowed money, (ii) obligations secured by any Lien upon Property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, and (iii) obligations created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person, notwithstanding the fact that the rights and remedies of the seller, lender or lessor under such agreement in the event of default are limited to repossession or sale of Property; *provided*, that notwithstanding anything to the contrary in the foregoing, Indebtedness of the Company shall not include (A) its obligations under contracts for the purchase by it of electric energy or capacity, including transmission charges, (B) Lease obligations of the Company and (C) pension and other obligations of the Company with respect to benefits provided to employees of the Company, regardless of whether such obligations are absolute or contingent or included, in accordance with generally accepted accounting principles, in determining total liabilities as shown on the liability side of a balance sheet of the Company.

Institutional Holder: Any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution.

Leases: As applied to any Person shall mean any lease of any Property (whether real, personal or mixed) by that Person as lessee which would, in conformity with generally accepted accounting principles, be required to be accounted for as a capital lease or an operating lease on the balance sheet of that Person.

Lien: (i) Any interest in Property (whether real, personal or mixed and whether tangible or intangible) which secures an obligation owed to, or a claim by, a Person other than the owner of such Property, whether such interest is based on the common law, statute or contract, including, without limitation, any such interest arising from a mortgage, charge, pledge, security agreement, conditional sale or trust receipt, or arising from a lease, consignment or bailment given for security purposes, (ii) any encumbrance upon such

Property which does not secure an obligation and (iii) any exception to or defect in the title to or ownership interest in such Property, including, without limitation, reservations, rights of entry, possibilities of reverter, encroachments, easements, rights of way, restrictive covenants, leases, licenses and profits *a prendre*. For purposes of this Agreement, the Company shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sales agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

Material: Material in relation to the business, operations, affairs, financial condition, assets, or properties of the Company and its subsidiaries taken as a whole.

Material Adverse Effect: A material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement, the Indenture and the Bonds, or (c) the validity or enforceability of this Agreement, the Indenture or the Bonds.

Multiemployer Plan: Any Plan that is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA).

Officers' Certificate: A certificate signed by any one of the Chairman of the Board of Directors, the President or any Vice President, the Treasurer, or the Secretary of the Company.

PBGC: The Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

Person: An individual, an association, a corporation, a partnership, a trust or estate, a government, foreign or domestic, and any agency or political subdivision thereof, or any other entity, including the Company.

Plan: "employee benefit plan" (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

Property: Any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

Section 11.2. Accounting Principles

. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, the same shall be done in accordance with generally accepted accounting principles then in effect, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

Section 12. Expenses; Etc.

Whether or not the transactions contemplated hereby shall be consummated, the Company will pay all reasonable expenses in connection with such transactions and in connection with any amendments or waivers (whether or not the same become effective) under or in respect of this Agreement or the Bonds, including, without limitation: (a) the cost and expenses of reproducing this Agreement, of the reproducing and issue of the Bonds, of furnishing all opinions of counsel for the Company and all certificates on behalf of the Company, and of the Company's performance of and compliance with all agreements and conditions contained herein on its part to be performed or complied with; (b) the cost of delivering to the principal office of the Purchaser, insured to its satisfaction, any Bonds delivered to it upon any substitution of Bonds pursuant to the Indenture and of the Purchaser's delivering any Bonds, insured to its satisfaction, upon any such substitution; (c) the reasonable fees, expenses and disbursements of Chapman and Cutler, special counsel for the Purchaser, in connection with such transactions and any such amendments or waivers; and (d) the reasonable out-of-pocket expenses incurred by the Purchaser in connection with such transactions and any such amendments or waivers. The Company will indemnify and hold the Purchaser harmless from and against all claims in respect of the fees, if any, of brokers and finders payable in connection with the execution and delivery of this Agreement or the carrying out of the transactions contemplated hereby. The Company will also pay, and will save the Purchaser and each holder of any Bonds harmless from, any and all liabilities with respect to any taxes (including interest and penalties) which may be payable in respect of the execution and delivery of this Agreement, the issue of the Bonds and any amendment or waiver under or in respect of this Agreement or the Bonds.

Section 13. Survival of Agreements; Etc.

All agreements contained herein and all representations and warranties made in writing by or on behalf of the Company herein or pursuant hereto shall survive the execution and delivery of this Agreement, any investigation at any time made by the Purchaser or on its behalf, the purchase of the Bonds by the Purchaser hereunder, and any disposition or payment of the Bonds. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto or in connection with the transactions contemplated hereby shall be deemed representations and warranties made by the Company hereunder.

Section 14. Amendments and Waivers.

Any term of this Agreement may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the holders of at least 66-2/3% in principal amount of the Bonds at the time outstanding. Any amendment or waiver effected in accordance with this Section 14 shall be binding upon each holder of any Bond at the time outstanding, each future holder of any Bond and the

Company. Bonds directly or indirectly held by the Company or any Affiliate of the Company shall not be deemed outstanding for purposes of determining whether any amendment or waiver has been effected in accordance with this Section 14 .

Section 15. Notices; Etc.

All notices and other communications hereunder shall be in writing and shall be mailed by certified mail, return receipt requested or overnight courier, (a) if to the Purchaser, addressed to the address of such Purchaser designated as the Purchaser's address on Schedule I attached hereto, or at such other address as the Purchaser shall have furnished to the Company for such purpose, or (b) if to the Company, to 6 Liberty Lane West, Hampton, New Hampshire 03842-1720, Attention: Treasurer, or at such other address as the Company shall have furnished to the Purchaser and each such other holder in writing.

Section 16. Further Assurances.

The Company will execute and deliver all such instruments and take all such action as the Purchaser from time to time may reasonably request in order to further effectuate the purposes and carry out the terms of this Agreement and the Bonds.

Section 17. Miscellaneous.

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto, whether so expressed or not, and, in particular, shall inure to the benefit of and be enforceable by any holder or holders at the time of the Bonds or any part thereof. This Agreement embodies the entire agreement and understanding between the Purchaser and the Company and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement and the Bonds shall be construed and enforced in accordance with and governed by the laws of the State of New Hampshire. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

Section 18. Severability.

Should any part of this Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid or unenforceable portion thereof eliminated and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any such part, parts or portion which may, for any reason, be hereafter declared invalid or unenforceable.

If you are in agreement with the foregoing, please sign the accompanying counterparts of this Agreement and return one of the same to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

Concord Electric Company

By

Name /s/ Mark H. Collin

Title: Treasurer

The foregoing Agreement is hereby agreed to as of April 20, 2001.

Provident Life and Accident Insurance Company

By Provident Investment Management, LLC
Its: Agent

By: /s/ David Fussell

Name: David Fussell

Title: Senior Vice President

Acknowledgement and Agreement

The undersigned hereby acknowledges receipt of an executed copy of the foregoing Bond Purchase Agreement and agrees to the provisions of Section 10 thereof.

State Street Bank and Trust Company, as Trustee

By /s/ Roland S. Gustafsen

Its Assistant Vice President

Name and Address Principal Amount of Bonds
of Purchaser to Be Purchased

Provident Life and Accident $7,500,000

Insurance Company

c/o Provident Investment Management, LLC

One Fountain Square

Chattanooga, Tennessee 37402

Telephone Number: (423) 755-1172

Fax Number: (423) 755-3351

Payments

All payments on or in respect of the Bonds to be made by bank wire transfer of Federal or other immediately available funds (identifying each payment "Concord Electric Company, 8.00% First Mortgage Bonds, due 2031, PPN: 206201 C@ 2") in the exact format as follows:

Cudd & Co.
c/o The Chase Manhattan Bank

New York, New York

ABA #021-000-021

SSG Private Income Processing

A/C #900-9-000200

Custodial Account Number G06706

Notices

All notices of scheduled payments and written confirmation of each such payment to be addressed as first provided above.

Name of Nominee in which Bonds are to be issued: Cudd & Co.

Taxpayer I.D. Number: 13-6022143

May 1, 2001

Provident Life and Accident Insurance

Company

c/o Provident Investment Management, LLC

One Fountain Square

Chattanooga, Tennessee 37402

-

Re: $7,500,000 8.00% First Mortgage Bonds, Series K

due May 1, 2031

of

Concord Electric Company

Ladies and Gentlemen:

We have acted as your special counsel in connection with your purchase on this date of $7,500,000 principal amount of 8.00% First Mortgage Bonds, Series K, due May 1, 2031 (the *"Bonds"*), of Concord Electric Company, a New Hampshire corporation (the *"Company"*), pursuant to the Bond Purchase Agreement (the *"Agreement"*) between you and the Company, dated as of April 20, 2001. The Bonds are issued under the Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (the *"Original Indenture"*) from the Company to State Street Bank and Trust Company (as successor to Old Colony Trust Company), as Trustee (the *"Trustee"*), as heretofore supplemented and amended by a First Supplemental Indenture dated as of January 15, 1968, a Second Supplemental Indenture dated as of November 15, 1971, a Third Supplemental Indenture dated as of July 1, 1975, a Fourth Supplemental Indenture dated as of March 28, 1984, a Fifth Supplemental Indenture dated as of June 1, 1984, a Sixth Supplemental Indenture dated as of October 29, 1987, a Seventh Supplemental Indenture dated as of August 29, 1991, an Eighth Supplemental Indenture dated as of October 14, 1994, a Ninth Supplemental Indenture dated as of September 1, 1998, a Tenth Supplemental Indenture dated as of January 15, 2001 and as supplemented by an Eleventh Supplemental Indenture dated as of April 20, 2001 (the *"Eleventh Supplemental Indenture"*). The Original Indenture as so supplemented and amended is hereinafter referred to as the *"Indenture"*. Capitalized terms used herein and not otherwise defined, shall have the meanings set forth in the Agreement.

In that connection, we have examined the following:

(a) The Agreement;

(b) The Indenture;

(c) A copy of the Articles of Association of the Company and all amendments thereto certified by the Secretary of the Company and the Certificates of (i) the Secretary of State of the State of New Hampshire evidencing the corporate existence of the Company and (ii) the Treasurer of the Company certifying to the Company's payment of all state and local taxes (collectively, the *"Good Standing Certificates"*);

(d) A copy of the By-laws of the Company, as amended to the date hereof, and a copy of the resolutions adopted by the Board of Directors of the Company with respect to the authorization of the Agreement, the Eleventh Supplemental Indenture, the issuance, sale and delivery of the Bonds and related matters, each as certified by the Secretary of the Company;

(e) The opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel to the Company, dated the date hereof and delivered responsive to Section 4.5 of the Agreement;

(f) The executed Bonds delivered on the date hereof;

(g) The order of the New Hampshire Public Utilities Commission dated March 23, 2001, authorizing the issue and sale of the Bonds;

(h) Such certificates of officers of the Company and of public officials as we have deemed necessary to give the opinions hereinafter expressed; and

(i) Such other documents and matters of law as we have deemed necessary to give the opinions hereinafter expressed.

We believe that the opinion referred to in clause (e) above including the attachments referred to therein is satisfactory in scope and form and that you and we are justified in relying thereon. Our opinion as to matters referred to in paragraph 1 below is based solely upon an examination of the Articles of Association and the By-laws of the Company, the Good Standing Certificates and the general business corporation law of the State of New Hampshire. We have also relied, as to certain factual matters, upon appropriate certificates of public officials and officers of the Company and upon representations of the Company and you delivered in connection with the issuance and sale of the Bonds.

Based upon the foregoing, we are of the opinion that:

1. The Company is a corporation, validly existing and in good standing under the laws of the State of New Hampshire and has the corporate power and the corporate authority to execute and deliver the Agreement, the Eleventh

Supplemental Indenture and the Bonds.

2. The Eleventh Supplemental Indenture has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and the Indenture constitutes the legal, valid and binding contract of the Company enforceable in accordance with its terms, except as such terms may be limited by the laws affecting the remedies to enforce the security provided by the Indenture, which laws do not, in our opinion, make inadequate the remedies necessary for the realization of the benefits of such security, and except as such terms are subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

3. The Bonds have been duly authorized by all necessary corporate action on the part of the Company, and the Bonds being delivered on the date hereof have been duly executed and delivered by the Company and duly authenticated by the Trustee, and constitute legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law) and are entitled to the benefits and security afforded by the Indenture equally and ratably with all other bonds outstanding under the Indenture.

4. The Agreement has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding contract of the Company, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

5. The issuance, sale and delivery of the Bonds under the circumstances contemplated by the Agreement do not, under existing law, require the registration of the Bonds under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

Our opinion is limited to the laws of the States of Illinois and New Hampshire and the Federal laws of the United States and we express no opinion on the laws of any other jurisdiction. We have relied upon the opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., as to (i) all matters set forth herein which are governed by the laws of the State of New Hampshire, except for our opinion as to matters referred to in paragraph 1 above, (ii) the due authorization, execution and delivery of the Indenture including the supplemental indentures thereto other than the Eleventh Supplemental Indenture, (iii) the enforceability of the Indenture, and (iv) the title of the Company to its properties and the filing and recording of the Indenture and the lien thereof and, accordingly, all applicable assumptions, qualifications and exceptions set forth in such opinion including any certificates or other opinions upon which such opinion relies, are incorporated herein.

Respectfully submitted,

JEJenz:SKhan

Form of Opinion of
Counsel to the Company

The closing opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel to the Company, which is called for by Section 4.5 of the Bond Purchase Agreement, shall be dated the date of Closing and addressed to the Purchaser, shall be satisfactory in scope and form to the Purchaser and shall be to the effect that:

(1) The Company is a corporation validly existing and in good standing under the laws of the State of New Hampshire, has the corporate power and authority and all necessary licenses, franchises, permits and rights to issue, sell and deliver the Bonds and to carry on its business and own its Property and is duly authorized to enter into and perform the Bond Purchase Agreement and the Indenture and to issue the Bonds and to incur the Indebtedness to be evidenced thereby.

(2) The Bond Purchase Agreement has been duly authorized, executed and delivered by the Company and constitutes the legal, valid and binding agreement of the Company, enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the rights of creditors generally from time to time in effect, and general principles of equity (regardless of whether such enforceability is considered in equity or at law).

(3) The Indenture has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and applicable principles of equity, and subject and subject to the laws affecting the remedies for the enforcement of the security provided for therein, which laws do not, in our opinion, make inadequate the remedies necessary for the realization of the benefits of such security; *provided* that under the law of the State of New Hampshire a purchaser at a foreclosure sale of such portion of the Company's Properties as constitute a public utility would have to obtain the permission and approval of the NHPUC to engage in business as such a utility in the area in which such purchaser proposed to carry on such a utility business.

(4) The Bonds have been duly authorized by proper corporate action on the part of the Company, have been duly executed and delivered by authorized officers of the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the rights of creditors generally from time to time in effect, and general principles of equity (regardless of whether such enforceability is considered in equity or at law) and are entitled to the benefits and security afforded by the Indenture equally and ratably with all other bonds outstanding under the Indenture.

(5) The issuance, sale and delivery of the Bonds under the circumstances contemplated by the Bond Purchase Agreement are exempt from the registration requirements of the Securities Act of 1933, as amended, and do not under existing law require the registration of the Bonds under the Securities Act of 1933, as amended, or the qualification of an indenture in respect thereof under the Trust Indenture Act of 1939.

(6) The Company has full corporate power and authority and is duly authorized to conduct the activities in which it is now engaged and, to the best of our knowledge, is not required to be licensed or qualified as a foreign corporation in any jurisdiction.

(7) The issuance and sale of the Bonds and the execution, delivery and performance by the Company of the Bond Purchase Agreement and the Eleventh Supplemental Indenture do not conflict with or result in any breach of any of the provisions of, or constitute a default under or result in the creation or imposition of any Lien upon any of the Property of the Company under the provisions of the Articles of Association or By-laws of the Company or, to the best of our knowledge, any agreement or other instrument to which the Company is a party or by which the Company is bound (other than pursuant to the mortgage).

(8) The Indenture has been filed for record in all offices where such filings are necessary in order that it create a valid and effective Lien of record on the Property intended to be subject thereto, and the Indenture creates the valid, direct first Lien upon the Company's Property, real and personal, now owned or hereafter acquired, described therein, subject only to Liens permitted by the Indenture; and there is no requirement that the Indenture shall be refiled or rerecorded at any time or from time to time in order to continue or perfect the Lien thereof, except, however, that the financing statements which have been filed with the Secretary of State of New Hampshire and the Merrimack County Registry of Deeds in order to protect and preserve the Lien of the Indenture on certain of the Property intended to be subject thereto must be periodically renewed by the filing of appropriate continuation statements.

(9) The issue and sale of the Bonds have to the extent required by law been duly authorized by an order of the NHPUC, such order is in full force and effect, the applicable appeal period has expired, and no other consent, exemption, approval or authorization by any other governmental authority (including, without limitation, the SEC under the Holding Company Act) is required in connection with the execution and delivery of the Bond Purchase Agreement or the Eleventh Supplemental Indenture or the issue, sale and delivery of the Bonds except that a filing with the SEC under the Holding Company Act of a Certificate of Notification on Form U-6B-2 is required to be made by the Company within ten days after the issue and sale of the Bonds, as provided in Rule 52 under the Holding Company Act.

(10) None of the transactions contemplated in the Bond Purchase Agreement (including, without limitation thereof, the proposed use of the proceeds from the sale of the Bonds) violate Section 7 of the Securities Exchange Act of 1934, as amended, or any regulations issued pursuant thereto, including, without limitation, Regulations U, T and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II.

(11) To the best of our knowledge, without conducting a search of any dockets, there are no actions, suits, investigations or proceedings to which the Company is a party in any court or before any governmental authority which, if determined adversely to the Company, would materially and adversely affect the Company's ability to perform its obligations under the Bond Purchase Agreement, the Indenture or the Bonds; and the Company is not, to the best of our knowledge, in default with respect to any order, judgment or decree of any court or governmental authority to which it is a party or by which it is bound.

In rendering its opinion, LeBoeuf, Lamb, Greene & MacRae, L.L.P., shall be entitled to rely upon opinions of local counsel satisfactory to them and with respect to matters of fact on which such opinion is based, shall be entitled to rely on appropriate Certificates of public officials and officers of the Company.

Exeter & Hampton Electric Company

to

State Street Bank and Trust Company, Trustee

Twelfth

Supplemental Indenture

Dated as of April 20, 2001

Additional Issue of Bonds
(Series M, 8.00%, due May 1, 2031)

$7,500,000

This Supplemental Indenture, dated and entered into as of April 20, 2001, by and between Exeter & Hampton Electric Company, a corporation duly organized and existing under the laws of The State of New Hampshire (hereinafter commonly referred to as the *"Company"*) (its Federal tax identification number being 02-0131510) and State Street Bank and Trust Company, a Massachusetts trust company, as successor Trustee to Old Colony Trust Company under the Indenture of Mortgage and Deed of Trust referred to in the first recital hereof (hereinafter, together, as appropriate, with each predecessor trustee commonly referred to as the *"Trustee"*),

Witnesseth:

Whereas the Company heretofore duly executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust (hereinafter generally referred to as the *"Original Indenture"* and sometimes referred to, with each and every other instrument, including this Supplemental Indenture, which the Company may execute with the Trustee pursuant to the provisions thereof and which is therein stated to be supplemental to the Original Indenture, as the *"Mortgage"*), dated as of December 1, 1952, but actually executed on December 5, 1952, and recorded, among other places, in Rockingham County, New Hampshire, Registry of Deeds, Volume 1268, Page 375, and in the Office of the Town Clerk of the Town of Exeter, New Hampshire, Mortgage Records, Book 15, Page 501, to which this instrument is supplemental, a First Supplemental Indenture thereto dated as of January 16, 1956, a Second Supplemental Indenture thereto dated as of January 15, 1960, a Third Supplemental Indenture thereto dated as of June 1, 1964, a Fourth Supplemental Indenture thereto dated as of January 15, 1968, a Fifth Supplemental Indenture thereto dated as of November 15, 1971, a Sixth Supplemental Indenture thereto dated as of April 1, 1974, a Seventh Supplemental Indenture thereto dated as of December 15, 1977, an Eighth Supplemental Indenture thereto dated as of October 28, l987, a Ninth Supplemental Indenture thereto dated as of August 29, 1991, a Tenth Supplemental Indenture thereto dated as of October 14, 1994 and an Eleventh Supplemental Indenture thereto dated as of September 1, 1998, whereby substantially all the properties of the Company used by it in its electric utility business, whether then owned or thereafter acquired, with certain exceptions and reservations fully set forth in the Original Indenture and in said Supplemental Indentures, were given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed to the Trustee, its successors and assigns, in trust upon the terms and conditions set forth therein to secure bonds of the company issued and to be issued thereunder (together the *"bonds"*), and for other purposes more particularly specified therein; and

Whereas, on January 4, 1971 Old Colony Trust Company was merged into The First National Bank of Boston, which thereupon succeeded to the trusts under the Mortgage; and

Whereas, effective May 1, 1996 The First National Bank of Boston resigned as trustee under the Mortgage and the Company appointed State Street Bank and Trust Company as successor trustee, which accepted such appointment and thereupon succeeded to the trusts under the Mortgage; and

Whereas, there are now outstanding under the Mortgage $9,000,000 in principal amount of First Mortgage Bonds, Series K, and $10,000,000 in principal amount of First Mortgage Bonds, Series L, and the Company proposes to issue $7,500,000 in principal amount of First Mortgage Bonds, of a new series to be designated First Mortgage Bonds, Series M (hereinafter sometimes referred to as *"Series M bonds"* or *"bonds of Series M"*); and

Whereas all things have been done and performed which are necessary to make the Series M bonds, when authenticated by the Trustee and issued as in the Original Indenture and herein provided, legal valid and binding obligations of the Company;

Now Therefore, in consideration of the premises, and of the acceptance and purchase of the Series M bonds by the holders thereof, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Original Indenture and each of the said Supplemental Indentures thereto and in performance of and compliance with the provisions thereof, the Company, by these presents, does give, grant, bargain, sell, warrant, pledge, assign, transfer, mortgage and convey unto the Trustee and its successor or successors in the trust thereby and hereby created, and its and their assigns, as provided in the Original Indenture and said Supplemental Indentures, all and singular, the property and rights and interests in property, described and thereby conveyed, pledged, assigned, transferred and mortgaged, or intended or required so to be (said descriptions in the Original Indenture and said Supplemental Indentures being hereby made a part hereof to the same extent as if set forth herein at length), whether then or now owned or thereafter or hereafter acquired, except such of said properties or interests therein as may have been released by the Trustee or sold or disposed of in whole or in part as permitted by the provisions of the Original Indenture or any such Supplemental Indenture, and also, but without in any way limiting the generality of the foregoing, all the right, title and interest of the Company in and to the franchises, rights, titles, interests, easements and properties described in Schedule A hereto attached and hereby made a part hereof as full as if set forth herein at length, and all proceeds of any of the foregoing at any time conveyed, pledged, assigned, transferred, mortgaged, paid or delivered to and from time to time held by the Trustee upon the trusts of the Mortgage.

Subject, However, insofar as affected thereby, to any permitted encumbrances as defined in Section 1.01 of the original Indenture, and, as to the property specifically described in Schedule A of the Original Indenture and said several Supplemental Indentures and in Schedule A hereof, to the liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof contained in said Schedules, none of which substantially interferes with the free use and enjoyment by the Company of the property and rights hereinabove described for the general purposes and uses of the Company's electric business;

And Subject Further, as to all hereafter-acquired property, insofar as affected thereby, to any mortgages, encumbrances or liens on such after-acquired property existing at the time of such acquisition or contemporaneously created, conforming to the provisions of Section 8.07 of the Original Indenture;

But Specifically Reserving, Excepting and Excluding from this instrument, and from the grant, conveyance, mortgage, transfer and assignment herein contained, all right, title and interest of the Company, now owned or hereafter acquired in and to properties and rights of the kind specified in subclauses (a) to (d), both inclusive, of the granting clauses, on pages 16-17, of the Original Indenture (as amended by Section 8.03A of the Eighth Supplemental Indenture);

To Have and to Hold the trust estate described above, with all of the privileges and appurtenances thereunto belonging, unto the Trustee, its successors in the trusts of the Mortgage, and its and their assigns, to its and their own use, forever;

But in Trust Nevertheless, upon the terms and trusts set forth in the Mortgage, for the equal *pro rata* benefit, security and protection (except as provided in Section 8.14 of the Original Indenture and except insofar as a sinking, improvement or analogous fund or funds, established in accordance with the provisions of the Original Indenture, or any indenture supplemental thereto, may afford particular security for bonds of one or more series) of the bearers and the registered owners of the bonds from time to time authenticated, issued and outstanding under the Mortgage, and the bearers of the coupons appertaining thereto, without (except as aforesaid) any preference, priority or distinction whatever of any one bond over any other bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

Provided, However, and these presents are upon the condition that, if the Company shall pay or cause to be paid the principal of and premium, if any, and interest on the bonds at the times and in the manner therein and in the Mortgage provided, and shall keep, perform and observe all and singular the covenants expressed to be kept, performed and observed by or on the part of the Company, then this Supplemental Indenture and the estate and rights hereby granted shall, pursuant to the provisions of Article Fourteen of the Original Indenture, cease, determine and be void, but otherwise shall be and remain in full force and effect.

And it is Hereby Covenanted, Declared and Agreed, upon the trusts and for the purposes aforesaid, as set forth in the following-covenants, agreements, conditions and provisions, to wit:

Article One

Creation of Series M Bonds

Section 1.01. There shall be and is hereby created an additional series of bonds designated as and entitled "First Mortgage Bonds, Series M." Series M bonds shall be fully registered bonds without coupons, of the denomination of $1,000 and multiples thereof. The registered bonds of Series M originally issued shall be dated the date of such issue and any bonds of Series M subsequently issued shall be dated as provided in Section 2.04 of the Original Indenture. All Series M bonds shall mature on May 1, 2031 and shall bear interest at the rate of eight percent (8.00%) per annum from their respective dates of issue, such interest to be payable quarterly in arrears on the first day of February, May, August and November each year commencing the first day of August, 2001, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 10.00% per annum. Both the principal of and interest on bonds of Series M shall be payable at the principal corporate trust office of State Street Bank and Trust Company, Boston, Massachusetts or at the principal corporate trust office of its successor as Trustee hereunder, in lawful money of the United States of America *provided* that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series M providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case

may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series M to the Trustee, *provided* that (A) there shall have been filed with the Trustee a copy of such agreement, (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series M in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon any such bond instrument to be transferred, or (ii) such bond of Series M shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series M shall have been surrendered in exchange for a new bond or bonds of Series M for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Mortgage and (C) in such agreement such holder shall agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Series M bond, the holder thereof shall be required to deliver such bond to the Trustee. For purposes of this Section 1.01, the term *"Institutional Holder"* shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The texts of the Series M bonds and the Trustee's certificate with respect to them shall be respectively substantially of the tenor and purport set forth in Schedule B hereto. The Series M bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series M hereunder is hereby limited to the $7,500,000 in aggregate principal amount of Series M bonds initially issued as provided in Section 1.07 hereof and to Series M bonds issued in exchange or substitution for outstanding Series M bonds under the provisions of Sections 2.09, 2.11, 2.12 and 7.05 of the Original Indenture and of Section 1.06 hereof (except that despite the provisions of Section 2.09 of the Original Indenture no bonds of Series M may be converted from registered to coupon form).

Section 1.02. As a required sinking fund for the benefit of the Series M bonds, the Company covenants that it will, on or prior to May 1 in each year, beginning with May 1, 2022, and continuing to and including May 1, 2031, pay to the Trustee immediately available funds sufficient to redeem, at par, Series M bonds then outstanding, in the principal amount of Seven Hundred Fifty Thousand Dollars ($750,000) (or the remaining principal amount if less than $750,000 principal amount of Series M bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Twelfth Supplemental Indenture referred to as "required sinking fund payments" and the day following the latest date on which each such payment is required to be made is herein and therein referred to as a "required sinking fund redemption date". Each required sinking fund payment shall be applied to the redemption of Series M bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04 or 1.05 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series M bonds shall have been paid in full.

Section 1.03. In addition to the required sinking fund provided by Section 1.02 hereof, all of the bonds of Series M, or any part of the principal amount thereof constituting One Hundred Thousand Dollars ($100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after May 1, 2001 and before May 1, 2029, pursuant to the provisions of Article Seven of the Original Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.03, determined five business days prior to such redemption. In addition to the foregoing, on any date on or after May 1, 2029, all of the bonds of Series M, or any part of the principal amount thereof constituting One Hundred Thousand Dollars ($100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the bond or bonds optionally to be redeemed to the dates fixed for such redemption plus 100% of the principal amount thereof.

For purposes of this Section 1.03, the *Make Whole Amount* shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to be redeemed to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

> *"Reinvestment Rate"* shall mean (1) the sum of 0.50%, *plus* the yield reported on page "USD" of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in the United States government Securities) at 11:00 A.M. (Eastern time) for the United States government Securities having a maturity (rounded to the nearest month) corresponding to the remaining Weighted Average Life to Maturity of the principal of the bonds being redeemed (taking into account the application of each redemption required by Section 1.02) or (2) in the event that no nationally recognized trading screen reporting on-line intraday trading in the United States government Securities is available, Reinvestment Rate shall mean the sum of 0.50%, *plus* the arithmetic mean of the yields for the two columns under the heading *"Week Ending"* published in the Statistical Release under the caption *"Treasury Constant Maturities"* for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the two published maturities most closely corresponding to such Weighted Average Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be

interpolated or extrapolated from such yields on a straightline basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

"Statistical Release" shall mean the then most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of outstanding Series M bonds.

"Weighted Average Life to Maturity" of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term *"Remaining Dollar-Years"* of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 hereof if the redemption pursuant to this Section 1.03 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.03, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02, and (ii) totaling the products obtained in (i).

Section 1.04. Series M bonds may be redeemed pursuant to Article Twelve of the Original Indenture (i) out of release moneys or other trust moneys, required by Section 8.12 of the Original Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of release moneys or other trust moneys required by Sections 8.10, 11.03 or 11.04 of the Original Indenture to be deposited with the Trustee, on any date and, if redeemed prior to May 1, 2029, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.03, and if redeemed on any date on or after May 1, 2029, then they shall be redeemed for an amount equal to the interest accrued on the principal amount of the bond or bonds to be redeemed to the date fixed for redemption, plus 100% of the principal amount thereof, for optional redemptions occurring on or after May 1, 2029.

Section 1.05. In the event that all or any part of the bonds of Series M shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series M shall be entitled to be paid therefor an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to May 1, 2029, or, if such redemption or discharge occurs on or after May 1, 2029, then the registered owners of such bonds shall be entitled to be paid thereafter an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus 100% of the principal amount thereof.

Section 1.06. Fully registered bonds of Series M, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other fully registered bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series M, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

Section 1.07. Upon the execution of this Supplemental Indenture and upon compliance with all applicable provisions of Articles Four and Five of the Original Indenture, the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the Order of the Company, bonds of Series M in the form of registered bonds without coupons in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000).

Article Two

Redemption

Section 2.01. In the case of any required sinking fund redemption pursuant to Section 1.02 hereof, forthwith after the April 1 preceding each required sinking fund redemption date, and in the case of any proposed redemption pursuant to Sections 1.03 or 1.04, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, pursuant to the provisions of Article Seven of the Original Indenture, shall

(a) select for redemption a principal amount of Series M bonds equal to the amount to be redeemed on the next ensuing required sinking fund payment date or designated optional redemption date, as the case may be, so that the principal amount to be redeemed of bonds of such series then held by each holder shall bear the same ratio to the total principal amount of all bonds of such series then to be redeemed as the total principal amount of all bonds of such series then held by such holder bears to the total principal amount of all bonds of such series then outstanding;

(b) notify the Company of the bonds or portions thereof to be so redeemed; and

(c) give notice of redemption of such bonds or portion's thereof, as provided in Sections 7.02, 7.03, 7.04 and 7.05 of the Original Indenture, to take effect on the then ensuing sinking fund redemption date or other applicable date of redemption for such bonds, as the case may be.

The Company covenants that it will pay to the Trustee

(i) on or before the day prior to each required sinking fund redemption date, the sum required by Section 1.02 hereof, and

(ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article Seven of the Original Indenture) of any redemption pursuant to Section 1.03 or 1.04 hereof, the amount payable in accordance with such notice.

At the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of the expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

Article Three

Covenants of the Company

Section 3.01. The Company covenants that it will not declare dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of or make any distribution, through reduction of capital or otherwise, in respect of any shares of its common stock, if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 2000 plus the amount of all dividends declared or accrued on any class of preferred stock of the Company, subsequent to December 31, 2000, and any amounts charged to net income after December 31, 2000 in connection with the purchase or retirement of any shares of preferred stock of the Company, would exceed an amount equal to net income of the Company available for dividends after December 31, 2000, plus the sum of $3,830,000.

The term "net income" as applied to any period shall mean the net income (or deficit) of the Company for such period properly transferable to its earned surplus, all computed, if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises, in accordance with such uniform system; otherwise in accordance with accepted accounting practice, and in any event by deducting from the aggregate gross revenues of the Company for such period all expenses required to be deducted in computing earnings available for interest charges for such period in accordance with Section 4.02B of the Original Indenture (as amended by Section 5.01 of the Eighth Supplemental Indenture), and also by deducting all interest requirements, taxes, amortization of debt discount and expense and other deferred charges, and all other non-operating expenses for such period.

Article Four

Reaffirmation of Covenants and Warranties of Original Indenture

Section 4.01. The Company covenants that, except as to that part of the trust estate which may hereafter be acquired by it, it is now well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Supplemental Indenture and to subject such physical properties to the lien of the Original Indenture as heretofore and hereby supplemented; and that, subject to the provisions of the Original Indenture as heretofore and hereby supplemented, it has and will preserve good and indefeasible title to all such physical properties and will warrant and forever defend the same to the Trustee against the claims of all persons whomsoever.

Section 4.02. The Trustee shall be entitled to, may exercise and shall be protected by, where and to the full extent that the same are applicable, all the rights, powers, privileges, immunities and exemptions provided in the Original Indenture, as heretofore and hereby supplemented, as if the provisions concerning the same were incorporated here at length. The Trustee under the Original Indenture, as so supplemented, shall *ex officio* be Trustee hereunder. The recitals and statements in this Supplemental Indenture and in the Series M bonds (other than the Trustee's Certificate attached hereto) shall be taken as statements by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Supplemental Indenture or of the Series M bonds, and the Trustee makes no covenants or representation, and shall not be responsible as to and for the effect, authorization, execution, delivery or recording of this Supplemental Indenture. The Trustee shall not be taken impliedly to waive by this Supplemental Indenture any right it would otherwise have. As provided in the Original Indenture this Supplemental Indenture shall hereafter form a part of the Original Indenture as heretofore supplemented.

The remedies and provisions of the Original Indenture applicable in case of any default by the Company thereunder are hereby adopted and made applicable in case of any default with respect to the properties included herein and, without limitation of the generality of the foregoing, there and hereby conferred upon the Trustee the same powers of sale and other powers over the properties described herein as are expressly conferred by the Original Indenture as heretofore supplemented.

Article Five

Miscellaneous Provisions

Section 5.01. The use of terms herein and the construction of the provisions hereof shall be in accordance with the definitions, uses and constructions contained in the original Indenture as heretofore and hereby supplemented.

Section 5.02. The Series M Bonds issued under this Twelfth Supplemental Indenture are subject not only to the terms of the Original Indenture, but also to all amendments to the Original Indenture set forth in the supplemental indentures thereto.

Section 5.03. This Twelfth Supplemental Indenture shall become void when the Original Indenture shall be void.

Section 5.04. This Twelfth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 5.05. The cover of this Twelfth Supplemental Indenture and all article and descriptive headings are inserted for convenience only, and shall not affect any construction or interpretation hereof.

In Witness Whereof, Exeter & Hampton Electric Company has caused this instrument to be executed in its corporate name by its President, one of its Vice Presidents or its Treasurer and to be attested and its corporate seal to be hereunto affixed by its Secretary or the Secretary of its Board of Directors, and State Street Bank and Trust Company, to evidence its acceptance of the Trust hereby created, has caused this instrument to be executed in its corporate name by one of its Authorized Officers, all as of the day and year first above written.

Attest: Exeter & Hampton Electric Company

/s/ Sandra L. Whitney By /s/ Mark H. Collin

Secretary Name: Mark H. Collin

Title: Treasurer

Signed, sealed and delivered by Exeter & Hampton Electric Company in the presence of us:

/s/ Charles J. Kershaw, Jr.

/s/ Michael J. Burke

(Corporate Seal)

State Street Bank and Trust Company, Trustee

By: /s/ Roland S. Gustafsen

Authorized Officer

Signed and delivered by
State Street Bank and Trust Company in the presence of us:

/s/ Dori Anne Seakas

/s/ John A. Brennan

(Corporate Seal)

State of New Hampshire)
) ss
County of Rockingham)

On this 26th day of April, 2001, before me personally appeared Mark H. Collin to me personally known, who, being by me duly sworn, did say that he is the Treasurer of Exeter & Hampton Electric Company, that the seal affixed to the foregoing instrument is

the corporate seal of said corporation, and that said instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors; and the said Treasurer acknowledged said instrument to be the free act and deed of said corporation.

/s/ Chad R. Dixon

Notary Public

My Commission Expires: January 4, 2006

(Notarial Seal)

Commonwealth of Massachusetts)
) ss
County of Suffolk)

On this 27th day of April, 2001, before me personally appeared Roland S. Gustafsen, to me personally known, who, being by me duly sworn, did say that he is an authorized officer of State Street Bank and Trust Company and that the foregoing instrument was signed by him on behalf of said Bank by authority of its Board of Directors; and the said Assistant Vice President acknowledged said instrument to be the free act and deed of said Bank.

/s/ Dorothy M. Clark

Notary Public

My Commission Expires: October 27, 2006
(Notarial Seal)

Endorsement

State Street Bank and Trust Company, Trustee, being the mortgagee under the foregoing Twelfth Supplemental Indenture hereby consents to the cutting of any timber standing upon any of the lands conveyed by said Twelfth Supplemental Indenture and to the sale of any such timber so cut as well as any personal property conveyed by said Twelfth Supplemental Indenture to the extent, but only to the extent, that such cutting and sale is permitted under the provisions of the Mortgage referred to in said Twelfth Supplemental Indenture.

Dated: Boston, Massachusetts, April 27, 2001.

State Street Bank and Trust Company,
Trustee

By /s/ Roland S. Gustafsen

Authorized Officer

Signed on behalf of State Street Bank
and Trust Company in the
presence of us:
/s/ Dori Anne Seakas
/s/ John A. Brennan

Exeter & Hampton Electric Company
Twelfth Supplemental Indenture
Schedule A

DESCRIPTION OF CERTAIN LAND AND EASEMENTS

ACQUIRED BY THE COMPANY SINCE SEPTEMBER 1, 1998

I. PARCELS ACQUIRED

None since date set forth above.

II. EASEMENTS AND RIGHTS ACQUIRED FOR TRANSMISSION LINE PURPOSES

None since date set forth above.

III. LEASEHOLD INTEREST

None since date set forth above.

DESCRIPTION OF CERTAIN LAND AND EASEMENTS CONVEYED BY THE COMPANY SINCE SEPTEMBER 1, 1998

I. PARCELS CONVEYED

None since date set forth above.

II. EASEMENTS AND OTHER RIGHTS CONVEYED

None since date set forth above.

Schedule B

(Form of Series M Fully Registered Bond without Coupons)

No. MR- $_____

Exeter & Hampton Electric Company

First Mortgage Bond, Series M, 8.00%

due May 1, 2031

Exeter & Hampton Electric Company, a corporation organized under the laws of the State of New Hampshire (hereinafter called the *"Company"*), for value received, hereby promises to pay to _____ or registered assigns, on the first day of May, 2031, the principal sum of _____ Dollars ($_____) and to pay interest thereon from the date hereof at the rate of eight per centum (8.00%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable quarterly in arrears on the first day of February, May, August and November each year, commencing the first day of August, 2001, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 10.00% per annum. The principal of and premium if any, and the interest on this bond shall be payable at the principal corporate trust office at State Street Bank and Trust Company, Boston, Massachusetts, or at the principal corporate trust office of its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of the Twelfth Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a Series M known as First Mortgage Bonds, Series M, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of December 1, 1952 (herein called the *"Original Indenture"*) duly executed and delivered by the Company to Old Colony Trust Company, Trustee (State Street Bank and Trust Company being successor Trustee, and together with each predecessor trustee being called herein the *"Trustee"*), to which Original Indenture and to all indentures supplemental thereto including a Twelfth Supplemental Indenture (the *"Twelfth*

Supplemental Indenture") dated as of April 20, 2001 (herein together called the *"Indenture"*) reference is hereby made for a description of the property and transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series M are entitled to the benefit of a required sinking fund provided for in the Twelfth Supplemental Indenture and shall become subject to redemption for the purposes of such sinking fund at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in the Twelfth Supplemental Indenture.

Bonds of this Series M are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.03 of the Twelfth Supplemental Indenture.

On the conditions and in the manner provided in the Section 1.04 of the Twelfth Supplemental Indenture, Series M bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.04, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series M shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series M bonds shall be entitled to be paid therefor an amount specified in Section 1.05 of the Twelfth Supplemental Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series M bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for the purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument or transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount, Fully registered bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of fully registered bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for all purposes.

With the consent of the company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture (except for the provisions relating to the modification of the Indenture contained in Section 17.04 of the Original Indenture) may be modified or altered by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, *provided, however,* that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder or (b) authorize the creation of any lien prior or equal, to the lien of the Indenture upon any of the mortgaged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and *provided further,* that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of a least seventy-five per centum (75%) in principal amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

In Witness Whereof, Exeter & Hampton Electric Company has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary, and this bond to be dated the ____ day of _____, 2001.

Exeter & Hampton Electric Company

By:

Name:

Title:

Attest: _____

Secretary

(Corporate Seal)

(Form of Trustee's Certificate for all Bonds of Series M)

This is one of the First Mortgage Bonds, Series M, referred to in the within mentioned Indenture.

State Street Bank and Trust Company

By:

Authorized Officer

(Form of Notation of Payments on Account of Principal)

Payments on Account of Principal

Date Amount Paid Signature

(Form of Endorsement)

For Value Received the undersigned hereby sells, assigns and transfers unto _____ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

Signature of Registered Owner

Dated: _____

In the presence

of: _____

Notice: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Exeter & Hampton Electric Company

$7,500,000 Aggregate Principal Amount of First Mortgage Bonds

due May 1, 2031

bond Purchase Agreement

Dated as of April 20, 2001

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Schedules and Exhibits:

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Exhibit A - Form of Twelfth Supplemental Indenture

Exhibit B - Form of Opinion of Special Counsel for the Purchaser

Exhibit C - Form of Opinion of Counsel for the Company

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Exeter & Hampton Electric Company
6 Liberty Lane West
Hampton, New Hampshire 03842-1720
Dated as of April 20, 2001

Provident Life and Accident Insurance Company
c/o Provident Investment Management, LLC
Private Placements
One Fountain Square
Chattanooga, Tennessee 37402

Ladies and Gentlemen:

Exeter & Hampton Electric Company (*"Company"*), a New Hampshire corporation, agrees with you as follows:

Section 1. Authorization of Bonds.

The Company has authorized the issue and sale of $7,500,000 principal amount of its First Mortgage Bonds, Series M due May 1, 2031 (the *"Bonds"*), such Bonds to be substantially in the form attached as Schedule B to the form of Twelfth Supplemental Indenture, attached hereto as Exhibit A, to the Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 from the Company to Old Colony Trust Company, which has been succeeded by State Street Bank and Trust Company, a Massachusetts trust company (the *"Trustee"*). The Twelfth Supplemental Indenture, in the form attached hereto as Exhibit A (with such changes to such form as you and the Company may agree to prior to the Closing Date), is herein referred to as the *"Twelfth Supplemental Indenture"*. The Company's Indenture of Mortgage and Deed of Trust dated as of December 1, 1952, as previously supplemented by eleven Supplemental Indentures thereto and as supplemented by the Twelfth Supplemental Indenture, is referred to as the *"Indenture"*. You are sometimes referred to herein as the *"Purchaser"*. Capitalized terms used herein are defined in Section 11 hereof.

The Bonds will be issued under and secured by the Indenture and the Twelfth Supplemental Indenture.

Section 2. Sale and Purchase of Bonds.

The Company will issue and sell to the Purchaser and, subject to the terms and conditions hereof, the Purchaser will purchase from the Company, at a purchase price of 100% of the principal amount thereof, on the Closing Date, Bonds in the aggregate principal amount of Seven Million Five Hundred Thousand Dollars ($7,500,000).

Section 3. Closing.

The closing of the sale and purchase of the Bonds (the *"Closing"*) shall take place at the offices of LeBoeuf, Lamb, Greene & MacRae, L.L.P., 260 Franklin Street, Boston, Massachusetts 02110 at 10:00 a.m., Boston time on May 1, 2001 or on such other business day not later than May 4, 2001 as may be mutually agreed upon by the Purchaser and the Company (the *"Closing Date"*). At the Closing the Company will deliver to the Purchaser the Bonds in the form of a single registered Bond (unless different denominations are specified by you) dated the Closing Date for the full amount of the purchase price and registered in Purchaser's name or in the name of Purchaser's nominee, all as Purchaser may specify at any time prior to the date fixed for delivery, against receipt of the purchase price payable by wire transfer of immediately available funds to such account as the Company shall notify the Purchaser in writing at least two days prior to the Closing Date. If at the Closing the Company shall fail to tender such Bond as provided herein, or if at the Closing any of the conditions specified in Section 4 shall not have been fulfilled, the Purchaser shall, at its election, be relieved of all further obligations to purchase Bonds under this Agreement, without thereby waiving any other rights it may have by reason of such failure or such nonfulfillment.

Section 4. Conditions to Closing.

The obligation of the Purchaser to purchase the Bonds to be sold to it at the Closing is subject to the fulfillment, prior to or at the Closing, of the following conditions:

Section 4.1. Representations and Warranties. The representations and warranties of the Company in Section 5 shall be correct when made and at the time of the Closing.

Section 4.2. Performance; No Default. The Company shall have performed and complied with all agreements and conditions contained herein required to be performed or complied with by it prior to or at the Closing, and at the time of the Closing no condition or event shall exist which constitutes or which, after notice or lapse of time or both, would constitute an Event of Default.

Section 4.3. Compliance Certificate. The Company shall have delivered to the Purchaser an Officers' Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1 and 4.2 hereof have been fulfilled.

Section 4.4. Regulatory Approvals. The issue and sale of the Bonds shall have been duly authorized by order of the New Hampshire Public Utilities Commission (the *"NHPUC"*), such order shall be in full force and effect at the time of the Closing and all appeal periods applicable to such order shall have expired.

Section 4.5. Legal Opinions. The Purchaser shall have received from Chapman and Cutler, who are acting as its special counsel in this transaction and from LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel for the Company, their respective opinions, dated the Closing Date, substantially in the form of Exhibits B and C attached hereto.

Section 4.6. Compliance with the Indenture. The Company shall have performed and complied with all agreements and conditions contained in the Indenture which are required to be performed or complied with by the Company for the issuance of the Bonds.

Section 4.7. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Purchaser and its special counsel, and the Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

Section 4.8. Private Placement Number. The Company shall have obtained from Standard & Poor's Corporation and provided to you a Private Placement Number for the Bonds.

Section 5. Representations and Warranties of the Company.

The Company represents and warrants that:

Section 5.1. Organization, Standing, Due Authorization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New Hampshire and has all requisite corporate power and authority to own and operate its properties, to carry on its business as now conducted, to enter into this Agreement, to issue and sell the Bonds and to carry out the terms hereof and thereof. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Company's Board of Directors, and no approval of the stockholders of the Company is required in connection therewith.

Section 5.2. Capitalization. The Company's authorized and outstanding capital stock is as follows:

Title of Class	Shares Authorized	Shares Outstanding
Common Stock, $5 par value	300,000	195,000
Cumulative Preferred Stock, $100 par value		
5.00% Series	5,000	910
6.00% Series	5,000	1,680
8.75% Series	5,000	3,331
8.25% Series	5,000	3,853

All of the Company's outstanding capital stock is validly issued, fully paid and non-assessable.

Section 5.3. Subsidiaries. Other than holdings of capital stock which, individually and in the aggregate, are immaterial to the business and financial condition of the Company, the Company does not own any shares of capital stock or shares of beneficial interest of any corporation or other entity.

Section 5.4. Qualification. In all jurisdictions where the Company owns real property or maintains any place of business, it is either qualified to do business and in good standing or such qualification can readily be obtained without substantial penalty and the failure to qualify in jurisdictions where the Company has not done so will not have a Material Adverse Effect.

Section 5.5. Franchises; Etc. The Company has all franchises, certificates of convenience and necessity, operating rights, licenses, permits, consents, approvals, authorizations and orders of governmental bodies, political subdivisions and regulatory authorities,

free from unduly burdensome restrictions, as are reasonably necessary for the ownership of the properties now owned and operated by it, the maintenance and operation of the properties now operated by it and the conduct of the business now conducted by it.

Section 5.6. Financial Statements. (a) The Company has furnished to the Purchaser the Company's financial statements for each of its fiscal years ended December 31, 1997, 1998, 1999 and 2000, containing balance sheets as at the end of such fiscal years and the related statements of earnings, retained earnings and cash flows of the Company for such fiscal years, as certified by Grant Thornton, independent certified public accountants.

(b) Subject to any qualifications set forth in the accompanying reports of independent certified public accountants, all such financial statements are complete and correct (subject, in the case of such unaudited financial statements, to year-end and audit adjustments) and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby. Such balance sheets (together with the pertinent notes thereto) fairly present the financial condition of the Company as at the respective dates indicated, and in each case reflect all known liabilities, contingent or otherwise, at such dates, all in accordance with generally accepted accounting principles, and such statements of earnings, retained earnings and cash flows fairly present the results of the operations of the Company for the respective periods indicated.

Section 5.7. Changes; Etc. Since December 31, 2000: (a) except as disclosed in the reports on Forms 10-K and 10-Q filed by Unitil Corporation, owner of all of the outstanding common stock of the Company (*"Unitil"*) with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the *"10-K and 10-Q Reports"*), there has been no material adverse change in the assets, liabilities or financial condition of the Company from that reflected in the balance sheet as at December 31, 2000 referred to in Section 5.6 or otherwise previously disclosed in writing, other than changes in the ordinary course of business; (b) neither the business, operations or affairs of the Company nor any of its properties or assets have been materially adversely affected by any occurrence or development (whether or not insured against) except as disclosed in the 10-K or the 10-Q Reports or otherwise previously disclosed in writing; and (c) except as otherwise disclosed in writing, the Company has not, prior to the Closing Date, directly or indirectly, declared, paid or made any dividend or distribution on or on account of any shares of capital stock of the Company or any redemption, retirement, purchase or other acquisition of any shares of capital stock of the Company, or agreed to do so, except for the payment of regular cash dividends on its Cumulative Preferred Stock and purchases of Cumulative Preferred Stock under applicable sinking fund provisions.

Section 5.8. Tax Returns and Payments. All tax returns of the Company required by law to be filed have been duly filed, and all taxes, assessments, fees and other governmental charges upon the Company shown to be due on such returns have been paid. The federal income tax liability of the Company has been finally determined by the Internal Revenue Service and satisfied through the fiscal year ended December 31, 1993. The charges, accruals and reserves on the books of the Company in respect of income taxes for all fiscal periods are adequate in the opinion of the Company and, except as disclosed in the 10-K and the 10-Q Reports, the Company knows of no unpaid assessment for additional income taxes for any fiscal period or of any basis therefor.

Section 5.9. Title to Properties. (a) The Company has good and marketable title to all the real property and a good and valid ownership interest in all the other assets reflected in the most recent balance sheet referred to in Section 5.6 or subsequently acquired, other than real property and other assets subsequently sold or otherwise disposed of in the ordinary course of business, subject in each case to no Liens except (i) the Lien created by the Indenture and (ii) other Liens permitted by the Indenture which do not materially detract from the value of the respective properties subject thereto or materially impair the operations of the Company.

(b) The Properties specifically to be included as mortgaged as set forth in the granting clauses of the Indenture (including the granting clauses included in the Twelfth Supplemental Indenture), other than properties released from the lien thereof pursuant to the terms thereof, are owned by the Company, located in New Hampshire and constitute substantially all of the Property of the Company except certain Property which is not "public utility property" (as defined in Section 11.04A of the Indenture), which Property has heretofore been duly released from the lien of the Indenture pursuant to Section 11.04A thereof (the *"Excepted Property"*). All of the real estate and other Property which is reflected in the balance sheet of the Company as of December 31, 2000 referred to in Section 5.6, and all of the rights of way, easements, grants, permits, privileges, franchises and other rights necessary to the operation of said Property, will be subject to the Indenture as a first lien thereon (subject only to Liens permitted by the Indenture) except properties expressly excluded from said lien of the Indenture by the provisions thereof (including the Excepted Property). The Company has not agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its Property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by the Indenture.

(c) None of the Properties or assets reflected in the balance sheet of the Company as of December 31, 2000 referred to in Section 5.6 is held by the Company as lessee under any lease (other than certain leasehold improvements which are being written off over the life of the lease) or as conditional vendee under any conditional sales contract or other title retention agreement.

Section 5.10. Litigation; Etc. There is no action, proceeding or investigation pending or, to the Company's knowledge, threatened (or any basis therefor known to the Company) which questions the validity of this Agreement or the Bonds or any action taken or to be taken pursuant hereto or thereto, nor, except as disclosed in the 10-K or the 10-Q Reports, is there any action, proceeding or investigation pending or, to the Company's knowledge, threatened (or any basis therefor known to the Company) which might result, either in any case or in the aggregate, in any material adverse change in the business, operations, affairs or condition of the Company or its Properties and assets or in any material liability on the part of the Company.

Section 5.11. Compliance with Other Instruments, Etc. The Company is not in violation of any term of its Certificate of Incorporation or By-Laws, or, to the Company's knowledge, in violation of any term of any franchise, license, permit, agreement,

indenture, instrument, judgment, decree, order, statute, or governmental rule or regulation applicable to it so as to materially and adversely affect, either individually or in the aggregate, its financial condition; and the execution, delivery and performance of this Agreement and the Bonds will not result in any such violation or be in conflict with or constitute a default under any term of any of the foregoing and will not result in the creation of any mortgage, lien, charge or encumbrance upon any of the Properties or assets of the Company pursuant to any such term.

Section 5.12. ERISA. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the Code, other than such liabilities or liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in Section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in Section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiary is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Series M Bonds hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of the Purchaser's representation in Section 7(b) as to the sources of the funds used to pay the purchase price of the Bonds.

Section 5.13. Regulatory Jurisdiction and Approvals. The Company is subject to regulation by the NHPUC with respect to retail rates, adequacy of service, issuance of securities, accounting and other matters; and to regulation by the SEC under the Public Utility Holding Company Act of 1935, as amended (the *"Holding Company Act"*) with respect to issuance of securities and certain other matters. The issuance and sale of the Bonds has been authorized by order of the NHPUC, which has become final and all applicable appeal periods with respect to the NHPUC order have expired. Although a post-sale filing with the SEC on Form U-6B-2 is required, the issuance and sale of the Bonds is not subject to the prior approval of the SEC under the Holding Company Act. No order, consent, approval or authorization of, or any declaration or filing with, any other governmental agency or authority is required as a condition precedent to the valid offering, issue, sale and delivery of the Bonds by the Company and the consummation by the Company of the transactions contemplated hereby.

Section 5.14. Patents; Trademarks; Etc. The Company owns or possesses all of the patents, trademarks, service marks, trade names and copyrights, and all rights of use with respect to the foregoing, necessary for the conduct of its business as now conducted, without any known conflict with the rights of others.

Section 5.15. Offer of Bonds. Neither the Company nor anyone authorized to act on its behalf has directly or indirectly offered or will offer the Bonds or any part thereof or any similar securities for issue or sale to, or solicited or will solicit any offer to acquire any of the same from, or has otherwise approached or negotiated or will approach or negotiate in respect thereof with anyone other than the Purchaser and not more than 124 other institutional investors. Neither the Company nor anyone authorized to act on its behalf has taken or will take any action which will subject the issuance and sale of the Bonds to the provisions of Section 5 of the Securities Act of 1933, as amended (the *"Securities Act"*).

Section 5.16. Investment Company Act Status. The Company is not an "investment company" or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended .

Section 5.17. Federal Reserve Regulations. The Company does not own nor has any present intention of acquiring any "margin stock" within the meaning of Regulation U (12CFR Part 207) of the Board of Governors of the Federal Reserve System (herein called a *"margin security"*). The proceeds of the sale of the Bonds will be applied as provided in Section 6. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin security or for any other purpose which might constitute the transactions contemplated hereby a "purpose credit" within the meaning of said Regulation U, or cause this Agreement to violate Regulation U, Regulation T, Regulation X, or any other regulation of the Board of Governors of the Federal Reserve System or Section 7 of the Securities Exchange Act of 1934 (the *"Exchange Act"*), each now in effect.

Section 5.18. Foreign Credit Restraints. Neither the consummation of the transactions contemplated by this Agreement nor the use of the proceeds of the sale of the Bonds will violate any provision of any applicable statute, regulation or order of, or any restriction imposed by, the United States of America or any authorized official, board, department, instrumentality or agency thereof relating to the control of foreign or overseas lending or investment.

Section 5.19. Disclosure. Neither this Agreement, the financial statements referred to in Section 5.6, the 10-K and the 10-Q Reports, nor any other document, certificate or written statement furnished to the Purchaser by or on behalf of the Company in connection with the negotiation of the sale of the Bonds, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may (so far as the Company can now reasonably foresee) materially adversely affect the business, operations, affairs or condition of the Company or its Properties or assets, which has not been set forth in this Agreement or in the other documents, certificates and written statements furnished to the Purchaser by or on behalf of the Company prior to the date of this Agreement in connection with the transactions contemplated hereby.

Section 5.20. Sale is Legal and Authorized. The sale of the Bonds and compliance by the Company with all of the provisions of this Agreement and the Bonds

(a) are within the corporate powers of the Company; and

(b) have been duly authorized by proper corporate action on the part of the Company (no action by the stockholders of the Company being required by law, by the Articles of Association or By-laws of the Company or otherwise); this Agreement and, when executed and delivered in accordance with the terms hereof, the Twelfth Supplemental Indenture and the Bonds, have been or will have been, as the case may be, duly executed and delivered on behalf of the Company by duly authorized officers thereof, and this Agreement and, when executed and delivered in accordance with the terms hereof, the Twelfth Supplemental Indenture and the Bonds constitute or will constitute, as the case may be, the legal, valid and binding obligations, contracts and agreements of the Company enforceable in accordance with their respective terms.

Section 5.21. No Defaults. No Default or Event of Default has occurred and is continuing. The Company is not in default in the payment of principal or interest on any Indebtedness and is not in default under any instrument or instruments or agreements under and subject to which any Indebtedness has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

Section 5.22. Compliance with Environmental Laws. Except as disclosed in the 10-K or the 10-Q Reports, to the best of the Company's knowledge it is not in violation of any applicable Federal, state, or local laws, statutes, rules, regulations or ordinances relating to public health, safety or the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use, handling or disposal of polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof, or other hydrocarbons), pollutants or contaminants, to exposure to toxic, hazardous or other controlled, prohibited or regulated substances which violation could have a material adverse effect on the business, prospects, profits, properties or condition (financial or otherwise) of the Company. Except as disclosed in the 10-K or the 10-Q Reports, the Company does not know of any liability or class of liability of the Company under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 *et seq.*), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 *et seq.*).

Section 6. Use of Proceeds.

The proceeds of the sale of the Bonds will be applied by the Company (i) to pay off short-term indebtedness outstanding at the time of the said sale, the proceeds of which will have been expended in the purchase and construction of Property and facilities reasonably requisite for present and future use in the conduct of the Company's business, (ii) to finance the future purchase and construction of such Property and facilities, and (iii) to defray the costs and expenses of the issue and sale of the Bonds.

Section 7. Purchaser's Representations.

(a) The Purchaser represents that the Purchaser is purchasing the Bonds for its own account for investment and not with a view to the distribution thereof and has no present intention of selling, negotiating, or otherwise disposing of the Bonds, *provided* that the disposition of the Purchaser's Property shall at all times be within its control. The acquisition of any of the Bonds by the Purchaser shall constitute the Purchaser's reaffirmation of such representation, and it is understood that in making the representations contained in Sections 5.12(e) and 5.15, the Company is relying, to the extent applicable, on the Purchaser's representation in this Section 7.

(b) The Purchaser represents that at least one of the following statements is an accurate representation as to each source of funds (a *"Source"*) to be used by the Purchaser to pay the purchase price of the Series K Bonds to be purchased by the Purchaser hereunder:

(i) the source is an "insurance company general account" and there is no employee benefit plan with respect to which the amount, if any, of such general account's reserves and liabilities for all contracts held by or on behalf of such plan and all other plans maintained by the same employer or its affiliates or by the same employee organization exceeds

10% of the total of all reserves and liabilities of such general account at the date of purchase (all as determined under Prohibited Transaction Class Exemption (*"PTE"*) 95-60 (issued July 12, 1995)); or

(ii) the Source is either (A) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990), or (B) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as the Purchaser has disclosed to the Company in writing pursuant to this paragraph (b)(ii)), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(iii) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a Person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (A) the identity of such QPAM and (B) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (b)(iii); or

(iv) the Source is a governmental plan; or

(v) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERlSA; or

(vi) the Source is one or more employee benefit plans, or a separate account, general account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (b)(vi).

As used in this paragraph (b), the terms "employee benefit plan," "governmental plan," "party in interest" and "separate account" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

Section 8. Covenants.

The Company covenants that, from and after the date of this Agreement and until none of the Bonds shall be outstanding:

Section 8.1. Punctual Payment. The Company will duly and punctually pay the principal, premium, if any, and interest on the Bonds in accordance with the terms of this Agreement, the Indenture and the Bonds.

Section 8.2. Delivery Expenses. If you surrender any Bond to the Company or the Trustee pursuant to this Agreement or the Indenture, the Company will pay the cost of transmitting between your home office and the Company or the Trustee, insured to your satisfaction, the surrendered Bond or Bonds and any Bond or Bonds issued in full or partial substitution or replacement for the surrendered Bond or Bonds.

Section 8.3. Issue Taxes. The Company will pay all taxes in connection with the issuance and sale of the Bonds to you and in connection with any modification of the Bonds and will save you harmless without limitation as to time against any and all liabilities with respect to all such taxes. The obligations of the Company under this Section 8.3 shall survive the payment or redemption of the Bonds and the termination of this Agreement.

Section 9. Information as to the Company.

Section 9.1. Accounting, Financial Statements and Other Information. The Company will deliver (in duplicate) to the Purchaser, so long as it is the holder of any Bonds, and to each Institutional Holder of at least 5% in principal amount of the Bonds at the time outstanding:

(a) as soon as available but in any event within ninety (90) days after the end of each of the first three quarterly fiscal periods in each year of the Company, a balance sheet of the Company at the end of such period, and a statement of earnings and retained earnings of the Company for such period and for the portion of the fiscal year ending with such period, together with a statement of cash flows for the portion of the fiscal year ending with such period, in each case setting forth in comparative form figures for the corresponding period of the previous year, all in reasonable detail and certified, subject to changes resulting from year-end and audit adjustments, by the Treasurer, an Assistant Treasurer or any Vice President of the Company;

(b) as soon as available but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, a balance sheet of the Company as at the end of such year, and a consolidated statement of earnings and retained earnings and cash flows of the Company, in each case setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of Grant Thornton or other independent public accountants of recognized national standing selected by the Company to the effect that such financial statements have been prepared in accordance with generally accepted accounting principles applied on a basis

consistent with the prior fiscal year (except for such changes, if any, as may be specified in such opinion) and fairly present, in all material respects, the financial position of the Company as of the end of such year and the results of operations for such year, and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards;

(c) as soon as available but in any event within ninety (90) days after the end of each of the first three quarterly fiscal periods in each year of Unitil, a balance sheet of Unitil at the end of such period, and a statement of earnings and retained earnings of Unitil for such period and for the portion of the fiscal year ending with such period, together with a statement of cash flows for the portion of the fiscal year ending with such period, in each case setting forth in comparative form figures for the corresponding period of the previous year, all in reasonable detail and certified, subject to changes resulting from year-end and audit adjustments, by the Treasurer, an Assistant Treasurer or any Vice President of Unitil;

(d) as soon as available but in any event within one hundred twenty (120) days after the end of each fiscal year of Unitil, a balance sheet of Unitil as at the end of such year, and a consolidated statement of earnings and retained earnings and cash flows of Unitil, in each case setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of Grant Thornton or other independent public accountants of recognized national standing selected by Unitil to the effect that such financial statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the prior fiscal year (except for such changes, if any, as may be specified in such opinion) and fairly present, in all material respects, the financial position of Unitil as of the end of such year and the results of operations for such year, and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards;

(e) concurrently with delivery of the documents provided for in Sections 9.1(a) and (b), an Officer's Certificate, stating that the officer providing the certificate has reviewed the provisions of this Agreement and setting forth whether there existed as of the date of such financial statements and whether, to the best of such officer's knowledge, there exists on the date of the certificate or existed at any time during the period covered by such financial statements any Default or Event of Default and, if any such condition or event exists on the date of the certificate, specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto;

(f) promptly after the same are available, copies of all proxy statements, financial statements and reports as the Company or its parent shall send to its public stockholders, and copies of all reports which the Company or its parent may file with the SEC or any governmental authority at any time substituted therefor; and

(g) such other information relating to the affairs of the Company as the Purchaser or any such holder reasonably may request from time to time.

Section 9.2. Inspection. The Company will permit any authorized representatives designated by the Purchaser, so long as it is the holder of any Bonds, or by each Institutional Holder which holds at least 5% in principal amount of the Bonds then outstanding, at the Purchaser's or such Institutional Holder's expense, to visit and inspect any of the Properties of the Company, including its books of account, to make copies and take extracts therefrom and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes such accountants to discuss with the Purchaser or any such other Institutional Holder the finances and affairs of the Company in the presence of an officer of the Company), all at such reasonable times and as often as may reasonably be requested; *provided*, that the Purchaser agrees and any such Institutional Holder by its acquisition of any Bonds shall be deemed to agree to keep confidential any nonpublic information received as a result of the rights granted in this Section 9.2, except that each such holder of the Bonds reserves the right to disclose such information (i) as may be necessary in connection with enforcing compliance with the terms and conditions of this Agreement, (ii) as may be required to governmental agencies, courts or other agencies to whose regulation such holder may be subject but only to the extent that such agencies or courts are authorized by or have apparent authority under applicable law, regulation, court order or other regulatory authority to request such information and (iii) as may be necessary to furnish to a prospective bona fide purchaser of any Bonds, any of such information which, in the reasonable opinion of the holder of such Bonds, is a material fact regarding the Company, *provided*, that disclosure of any such information may be made to no more than two such prospective purchasers in any thirty day period, each such prospective purchaser must be eligible to be an Institutional Holder should it purchase Bonds, and the amount of Bonds which would be involved in a sale to any such prospective purchaser is at least 5% of the then outstanding Bonds.

Section 10. Home Office Payment.

Pursuant to the provisions of Section 1.01 of the Twelfth Supplemental Indenture and notwithstanding anything in the Indenture or the Bonds to the contrary, the Company will pay or cause to be paid all sums becoming due on any Bond owned by you or your nominee in the manner specified in Schedule I hereto or as you may otherwise designate by written notice to the Company with a copy to the Trustee and all such payments shall be made without presentation or surrender of such Bond to the Trustee; *provided*, that you agree that you will not sell, transfer or otherwise dispose of any such Bond unless, prior to the delivery thereof, either (i) you shall have made a clear and accurate notation of the amount of the principal redeemed on the Bond to be transferred, or (ii) such Bond shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal redeemed on the Bond or (iii) the Bond shall have been surrendered in exchange for a new Bond for the unredeemed balance of the principal amount thereof. You agree that prior to receiving any final payment of the entire remaining unpaid principal amount of any Bond pursuant to this Section 10, you shall be required to deliver such Bond to the Trustee. Your rights under this Section 10 and Section 1.01 of

the Twelfth Supplemental Indenture may be exercised by any subsequent Institutional Holder who shall enter into an agreement in writing with the Company containing the terms set forth in this Section 10 and deliver a copy thereof to the Trustee.

Section 11. Definitions; Accounting Principles.

Section 11.1. Definitions. As used in this Agreement the following terms have the following respective meanings:

Affiliate: Any director, officer or employee of the Company and any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. The term *"control"* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities, by contract or otherwise.

Code: The Internal Revenue Code of 1986, as amended from time to time and the rules and regulations promulgated thereunder from time to time.

Default: Any event or condition the occurrence of which would, with the lapse of time or the giving of notice, or both, constitute an Event of Default.

ERISA: The Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the regulations thereunder, in each case as in effect from time to time. References to sections of ERISA shall be construed to also refer to any successor sections.

ERISA Affiliate: Any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under Section 414 of the Code.

Event of Default: An *"event of default"* as defined in the Indenture.

Indebtedness: Of any Person as of any date as of which the amount thereof is to be determined, shall mean all (i) obligations of such Person for borrowed money, (ii) obligations secured by any Lien upon Property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, and (iii) obligations created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person, notwithstanding the fact that the rights and remedies of the seller, lender or lessor under such agreement in the event of default are limited to repossession or sale of Property; *provided*, that notwithstanding anything to the contrary in the foregoing, Indebtedness of the Company shall not include (A) its obligations under contracts for the purchase by it of electric energy or capacity, including transmission charges, (B) Lease obligations of the Company and (C) pension and other obligations of the Company with respect to benefits provided to employees of the Company, regardless of whether such obligations are absolute or contingent or included, in accordance with generally accepted accounting principles, in determining total liabilities as shown on the liability side of a balance sheet of the Company.

Institutional Holder: Any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution.

Leases: As applied to any Person shall mean any lease of any Property (whether real, personal or mixed) by that Person as lessee which would, in conformity with generally accepted accounting principles, be required to be accounted for as a capital lease or an operating lease on the balance sheet of that Person.

Lien: (i) Any interest in Property (whether real, personal or mixed and whether tangible or intangible) which secures an obligation owed to, or a claim by, a Person other than the owner of such Property, whether such interest is based on the common law, statute or contract, including, without limitation, any such interest arising from a mortgage, charge, pledge, security agreement, conditional sale or trust receipt, or arising from a lease, consignment or bailment given for security purposes, (ii) any encumbrance upon such Property which does not secure an obligation and (iii) any exception to or defect in the title to or ownership interest in such Property, including, without limitation, reservations, rights of entry, possibilities of reverter, encroachments, easements, rights of way, restrictive covenants, leases, licenses and profits *a prendre*. For purposes of this Agreement, the Company shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sales agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

Material: Material in relation to the business, operations, affairs, financial condition, assets, or properties of the Company and its subsidiaries taken as a whole.

Material Adverse Effect: A material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement, the Indenture and the Bonds, or (c) the validity or enforceability of this Agreement, the Indenture or the Bonds.

Multiemployer Plan: Any Plan that is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA).

Officers' Certificate: A certificate signed by any one of the Chairman of the Board of Directors, the President or any Vice President, the Treasurer, or the Secretary of the Company.

PBGC: The Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

Person: An individual, an association, a corporation, a partnership, a trust or estate, a government, foreign or domestic, and any agency or political subdivision thereof, or any other entity, including the Company.

Plan: An "employee benefit plan" (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

Property: Any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

Section 11.2. Accounting Principles. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, the same shall be done in accordance with generally accepted accounting principles then in effect, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

Section 12. Expenses; Etc.

Whether or not the transactions contemplated hereby shall be consummated, the Company will pay all reasonable expenses in connection with such transactions and in connection with any amendments or waivers (whether or not the same become effective) under or in respect of this Agreement or the Bonds, including, without limitation: (a) the cost and expenses of reproducing this Agreement, of the reproducing and issue of the Bonds, of furnishing all opinions of counsel for the Company and all certificates on behalf of the Company, and of the Company's performance of and compliance with all agreements and conditions contained herein on its part to be performed or complied with; (b) the cost of delivering to the principal office of the Purchaser, insured to its satisfaction, any Bonds delivered to it upon any substitution of Bonds pursuant to the Indenture and of the Purchaser's delivering any Bonds, insured to its satisfaction, upon any such substitution; (c) the reasonable fees, expenses and disbursements of Chapman and Cutler, special counsel for the Purchaser, in connection with such transactions and any such amendments or waivers; and (d) the reasonable out-of-pocket expenses incurred by the Purchaser in connection with such transactions and any such amendments or waivers. The Company will indemnify and hold the Purchaser harmless from and against all claims in respect of the fees, if any, of brokers and finders payable in connection with the execution and delivery of this Agreement or the carrying out of the transactions contemplated hereby. The Company will also pay, and will save the Purchaser and each holder of any Bonds harmless from, any and all liabilities with respect to any taxes (including interest and penalties) which may be payable in respect of the execution and delivery of this Agreement, the issue of the Bonds and any amendment or waiver under or in respect of this Agreement or the Bonds.

Section 13. Survival of Agreements; Etc.

All agreements contained herein and all representations and warranties made in writing by or on behalf of the Company herein or pursuant hereto shall survive the execution and delivery of this Agreement, any investigation at any time made by the Purchaser or on its behalf, the purchase of the Bonds by the Purchaser hereunder, and any disposition or payment of the Bonds. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant hereto or in connection with the transactions contemplated hereby shall be deemed representations and warranties made by the Company hereunder.

Section 14. Amendments and Waivers.

Any term of this Agreement may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the holders of at least 66-2/3% in principal amount of the Bonds at the time outstanding. Any amendment or waiver effected in accordance with this Section 14 shall be binding upon each holder of any Bond at the time outstanding, each future holder of any Bond and the Company. Bonds directly or indirectly held by the Company or any Affiliate of the Company shall not be deemed outstanding for purposes of determining whether any amendment or waiver has been effected in accordance with this Section 14.

Section 15. Notices; Etc.

All notices and other communications hereunder shall be in writing and shall be mailed by certified mail, return receipt requested or overnight courier, (a) if to the Purchaser, addressed to the address of such Purchaser designated as the Purchaser's address on Schedule I attached hereto, or at such other address as the Purchaser shall have furnished to the Company for such purpose, or (b) if to the Company, to 6 Liberty Lane West, Hampton, New Hampshire 03842-1720, Attention: Treasurer, or at such other address as the Company shall have furnished to the Purchaser and each such other holder in writing.

Section 16. Further Assurances.

The Company will execute and deliver all such instruments and take all such action as the Purchaser from time to time may reasonably request in order to further effectuate the purposes and carry out the terms of this Agreement and the Bonds.

Section 17. Miscellaneous.

This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto, whether so expressed or not, and, in particular, shall inure to the benefit of and be enforceable by any holder or holders at the time of the Bonds or any part thereof. This Agreement embodies the entire agreement and understanding between the Purchaser and the Company and supersedes all prior agreements and understandings relating to the subject matter hereof. This

Agreement and the Bonds shall be construed and enforced in accordance with and governed by the laws of the State of New Hampshire. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

Section 18. Severability.

Should any part of this Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid or unenforceable portion thereof eliminated and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any such part, parts or portion which may, for any reason, be hereafter declared invalid or unenforceable.

If you are in agreement with the foregoing, please sign the accompanying counterparts of this Agreement and return one of the same to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,
Exeter & Hampton Electric Company

By: /s/ Mark H. Collin
Name: Mark H. Collin
Title: Treasurer

The foregoing Agreement is hereby agreed to as of April 20, 2001.

Provident Life and Accident Insurance Company

By Provident Investment Management, LLC
Its: Agent

By: /s/ David Fussell
Name: David Fussell
Title: Senior Vice President

Acknowledgment and Agreement

The undersigned hereby acknowledges receipt of an executed copy of the foregoing Bond Purchase Agreement and agrees to the provisions of Section 10 thereof.

State Street Bank and Trust Company, as Trustee

By: /s/ Roland S. Gustafsen
Name: Roland S. Gustafsen
Title: Assistant Vice President

Principal Amount
Name and Address of Bonds to be
of Purchaser Purchased

Provident Life and Accident Insurance Company $7,500,000
c/o Provident Investment Management, LLC
Private Placements
One Fountain Square
Chattanooga, Tennessee 37402
Telephone number: (423) 755-1172
Fax: (423) 755-3351

Payments

All payments on or in respect of the Bonds to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Exeter & Hampton Electric Company, 8.00% First Mortgage Bonds, due 2031, PPN: 301641 D* 4") in the exact format as follows:

CUDD & CO.
c/o The Chase Manhattan Bank
New York, New York
ABA #021-000-021
SSG Private Income Processing
A/C #900-9-000200
Custodial Account Number G06704

Notices

All notices of scheduled payments and written confirmation of each such payment, to be addressed as provided above.

Name of Nominee in which Bonds are to be issued: Cudd & Co.

Taxpayer I.D Number: 13-6022143

May 1, 2001

Provident Life and Accident
Insurance Company
c/o Provident Investment Management, LLC
Private Placements
One Fountain Square
Chattanooga, Tennessee 37402

Re: $7,500,000 8.00% First Mortgage Bonds, Series M
due May 1, 2031 of
Exeter & Hampton Electric Company

Ladies and Gentlemen:

We have acted as your special counsel in connection with your purchase on this date of $7,500,000 principal amount of 8.00% First Mortgage Bonds, Series M, due May 1, 2031 (the *"Bonds"*), of Exeter & Hampton Electric Company, a New Hampshire corporation (the *"Company"*), pursuant to the Bond Purchase Agreement (the *"Agreement"*) between you and the Company, dated as of April 20, 2001. The Bonds are issued under the Indenture of Mortgage and Deed of Trust dated as of December 1, 1952 (the *"Original Indenture"*) from the Company to State Street Bank and Trust Company (as successor to Old Colony Trust Company), as Trustee (the *"Trustee"*), as heretofore supplemented and amended by a First Supplemental Indenture dated as of January 16, 1956, a Second Supplemental Indenture dated as of January 15, 1960, a Third Supplemental Indenture dated as of June 1, 1964, a Fourth Supplemental Indenture dated as of January 15, 1968, a Fifth Supplemental Indenture dated as of November 15, 1971, a Sixth Supplemental Indenture dated as of April 1, 1974, a Seventh Supplemental Indenture dated as of December 15, 1977, an Eighth Supplemental Indenture dated as of October 28, 1987, a Ninth Supplemental Indenture dated as of August 29, 1991, a Tenth Supplemental Indenture dated as of October 14, 1994, an Eleventh Supplemental Indenture dated as of September 1, 1998 and as supplemented by a Twelfth Supplemental Indenture dated as of April 20, 2001 (the *"Twelfth Supplemental Indenture"*). The Original Indenture as so supplemented and amended is hereinafter referred to as the *"Indenture."* Capitalized terms used herein and not otherwise defined, shall have the meanings set forth in the Agreement.

In that connection, we have examined the following:

(a) The Agreement;

(b) The Indenture;

(c) A copy of the Articles of Association of the Company and all amendments thereto certified by the Secretary of State of the State of New Hampshire and Certificates of (i) the Secretary of State of the State of New Hampshire evidencing the corporate existence of the Company and (ii) the Treasurer of the Company certifying as to the Company's payment of all state and local taxes (collectively, the *"Good Standing Certificates"*);

(d) A copy of the By-laws of the Company, as amended to the date hereof, and a copy of the resolutions adopted by the Board of Directors of the Company with respect to the authorization of the Agreement, the Twelfth Supplemental Indenture, the issuance, sale and delivery of the Bonds and related matters, each as certified by the Secretary of the Company;

(e) The opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel to the Company, dated the date hereof and delivered responsive to Section 4.5 of the Agreement;

(f) The executed Bonds delivered on the date hereof;

(g) The order of the New Hampshire Public Utilities Commission dated March 23, 2001, authorizing the issue and sale of the Bonds;

(h) Such certificates of officers of the Company and of public officials as we have deemed necessary to give the opinions hereinafter expressed; and

(i) Such other documents and matters of law as we have deemed necessary to give the opinions hereinafter expressed.

We believe that the opinion referred to in clause (e) above including the attachments referred to therein is satisfactory in scope and form and that you and we are justified in relying thereon. Our opinion as to matters referred to in paragraph 1 below is based solely upon an examination of the Articles of Association, the By-laws and the Good Standing Certificates of the Company and the general business corporation law of the State of New Hampshire. We have also relied, as to certain factual matters, upon appropriate certificates of public officials and officers of the Company and upon representations of the Company and you delivered in connection with the issuance and sale of the Bonds.

Based upon the foregoing, we are of the opinion that:

1. The Company is a corporation, validly existing and in good standing under the laws of the State of New Hampshire and has the corporate power and the corporate authority to execute and deliver the Agreement, the Twelfth Supplemental Indenture and the Bonds.

2. The Twelfth Supplemental Indenture has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and the Indenture constitutes the legal, valid and binding contract of the Company enforceable in accordance with its terms, except as such terms may be limited by the laws affecting the remedies to enforce the security provided by the Indenture, which laws do not, in our opinion, make inadequate the remedies necessary for the realization of the benefits of such security, and except as such terms are subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

3. The Bonds have been duly authorized by all necessary corporate action on the part of the Company, and the Bonds being delivered on the date hereof have been duly executed and delivered by the Company and duly authenticated by the Trustee, and constitute legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law) and are entitled to the benefits and security afforded by the Indenture equally and ratably with all other bonds outstanding under the Indenture.

4. The Agreement has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding contract of the Company, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally, and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

5. The issuance, sale and delivery of the Bonds under the circumstances contemplated by the Agreement do not, under existing law, require the registration of the Bonds under the Securities Act of 1933, as amended, or the qualification of the Indenture under the Trust Indenture Act of 1939, as amended.

Our opinion is limited to the laws of the States of Illinois and New Hampshire and the Federal laws of the United States and we express no opinion on the laws of any other jurisdiction. We have relied upon the opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., as to (i) all matters set forth herein which are governed by the laws of the State of New Hampshire, except for our opinion as to matters referred to in paragraph 1 above, (ii) the due authorization, execution and delivery of the Indenture including the supplemental indentures thereto other than the Twelfth Supplemental Indenture, (iii) the enforceability of the Indenture, and (iv) the title of the Company to its properties and the filing and recording of the Indenture and the lien thereof and, accordingly, all applicable assumptions, qualifications and exceptions set forth in such opinion, including any certificates or other opinions upon which such opinion relies, are incorporated herein.

Respectfully submitted,

JEJenz:SKhan

Form of Opinion of
Counsel for the Company

The closing opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel to the Company, which is called for by Section 4.5 of the Bond Purchase Agreement, shall be dated the date of Closing and addressed to the Purchaser, shall be satisfactory in scope and form to the Purchaser and shall be to the effect that:

(1) The Company is a corporation validly existing and in good standing under the laws of the State of New Hampshire, has the corporate power and authority and all necessary licenses, franchises, permits and rights to issue, sell and deliver the Bonds and to carry on its business and own its Property and is duly authorized to enter into and perform the Bond Purchase Agreement and the Indenture and to issue the Bonds and to incur the Indebtedness to be evidenced thereby.

(2) The Bond Purchase Agreement has been duly authorized, executed and delivered by the Company and constitutes the legal, valid and binding agreement of the Company, enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the rights of creditors generally from time to time in effect, and general principles of equity (regardless of whether such enforceability is considered in equity or at law).

(3) The Indenture has been duly authorized by all necessary corporate action on the part of the Company, has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and applicable principles of equity, and subject to the laws affecting the remedies for the enforcement of the security provided for therein, which laws do not, in our opinion, make inadequate the remedies necessary for the realization of the benefits of such security; *provided* that under the law of the State of New Hampshire a purchaser at a foreclosure sale of such portion of the Company's Properties as constitute a public utility would have to obtain the permission and approval of the NHPUC to engage in business as such a utility in the area in which such purchaser proposed to carry on such a utility business.

(4) The Bonds have been duly authorized by proper corporate action on the part of the Company, have been duly executed and delivered by authorized officers of the Company and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting the rights of creditors generally from time to time in effect, and general principles of equity (regardless of whether such enforceability is considered in equity or at law) and are entitled to the benefits and security afforded by the Indenture equally and ratably with all other bonds outstanding under the Indenture.

(5) The issuance, sale and delivery of the Bonds under the circumstances contemplated by the Bond Purchase Agreement are exempt from the registration requirements of the Securities Act of 1933, as amended, and do not under existing law require the registration of the Bonds under the Securities Act of 1933, as amended, or the qualification of an indenture in respect thereof under the Trust Indenture Act of 1939.

(6) The Company has full corporate power and authority and is duly authorized to conduct the activities in which it is now engaged and, to the best of our knowledge, is not required to be licensed or qualified as a foreign corporation in any jurisdiction.

(7) The issuance and sale of the Bonds and the execution, delivery and performance by the Company of the Bond Purchase Agreement and the Twelfth Supplemental Indenture do not conflict with or result in any breach of any of the provisions of, or constitute a default under or result in the creation or imposition of any Lien upon any of the Property of the Company under the provisions of the Articles of Association or By-laws of the Company or, to the best of our knowledge, any agreement or other instrument to which the Company is a party or by which the Company is bound (other than pursuant to the Indenture).

(8) The Indenture has been filed for record in all offices where such filings are necessary in order that it create a valid and effective Lien of record on all the Company's Property intended to be subject thereto, and the Indenture creates the valid, direct first Lien which it purports to create upon the Company's Property, real and personal, now owned or hereafter acquired, described therein, subject only to Liens permitted by the Indenture; and there is no requirement that the Indenture shall be refiled or rerecorded at any time or from time to time in order to continue or perfect the Lien thereof, except, however, that the financing statements which have been filed with the Secretary of State of New Hampshire and the Rockingham County Registry of Deeds in order to protect and preserve the Lien of the Indenture on certain of the Property intended to be subject thereto must be periodically renewed by the filing of appropriate continuation statements.

(9) The issue and sale of the Bonds have to the extent required by law been duly authorized by an order of the NHPUC, such order is in full force and effect, the applicable appeal period has expired, and no other consent, exemption, approval or authorization by any other governmental authority (including, without limitation, the SEC

under the Holding Company Act) is required in connection with the execution and delivery of the Bond Purchase Agreement or the Twelfth Supplemental Indenture or the issue, sale and delivery of the Bonds except that a filing with the SEC under the Holding Company Act of a Certificate of Notification on Form U-6B-2 is required to be made by the Company within ten days after the issue and sale of the Bonds, as provided in Rule 52 under the Holding Company Act.

(10) None of the transactions contemplated in the Bond Purchase Agreement (including, without limitation thereof, the proposed use of the proceeds from the sale of the Bonds) violate Section 7 of the Securities Exchange Act of 1934, as amended, or any regulations issued pursuant thereto, including, without limitation, Regulations U, T and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II.

(11) To the best of our knowledge, without conducting a search of any dockets, there are no actions, suits, investigations or proceedings to which the Company is a party in any court or before any governmental authority which, if determined adversely to the Company, would materially and adversely affect the Company's ability to perform its obligations under the Bond Purchase Agreement, the Indenture or the Bonds; and the Company is not, to the best of our knowledge, in default with respect to any order, judgment or decree of any court or governmental authority to which it is a party or by which it is bound.

In rendering its opinion, LeBoeuf, Lamb, Greene & MacRae, L.L.P., shall be entitled to rely upon opinions of local counsel satisfactory to them and with respect to matters of fact on which such opinion is based, shall be entitled to rely on appropriate certificates and officers of the Company.

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