

United States Securities and Exchange Commission
Washington, D.C. 20549

Form U-1
Application/Declaration
Under the
Public Utility Holding Company Act of 1935

Concord Electric Company Exeter & Hampton Electric Company
One McGuire Street 114 Drinkwater Road
Concord, NH 03301 Kensington, NH 03833

Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

(name and principal executive office of applicants
and top registered holding company)

Mark H. Collin
Treasurer and Secretary
Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

(name and address of agent for service for all applicants)

The Commission is also requested to send copies
of any communication in connection with this matter to:

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Item 1. Description of the Proposed Transaction

A. Introduction

This Application-Declaration ("Application") seeks approvals relating to the proposed merger (the "Merger") of Concord Electric Company ("CECo") and Exeter & Hampton Electric Company ("E&H") (together, the "Applicants"), the two New Hampshire retail electric utility subsidiaries of Unitil Corporation ("Unitil"), a registered public utility holding company. Applicants propose that upon receipt of all the necessary regulatory approvals, E&H will merge with and into CECo to form a single retail electric utility subsidiary of Unitil, under the new name of Unitil Energy Systems, Inc. ("UES").

The Merger is one of the elements of the Unitil system restructuring proposal before the New Hampshire Public Utilities Commission ("NHPUC"), which was adopted pursuant to and as required by the New Hampshire Electricity Restructuring Law, codified at RSA 374-F. Unitil's restructuring proposal contains four principal elements: (1) the merger of CECo and E&H into a single distribution company, UES, that will be subject to the jurisdiction of the NHPUC; (2) divestiture of the power supply portfolio of Unitil Power Corp., Unitil's power supply subsidiary, and the solicitation and acquisition by UES of replacement sources of energy necessary for it to meet its obligation to provide transition service and default service to its retail customers; (3) implementation by UES of new unbundled rates to be approved by the NHPUC that reflect the Merger and the implementation of the restructuring requirements of New Hampshire RSA374-F; and (4) introduction of customer choice for UES's New Hampshire customers.

B. General Request

Applicants request authorization under Sections 9(a)(2) and 10 of the Act to effect the Merger. Applicants request authorization to amend and combine CECo's and E&H's debt indentures into a single UES indenture and revise the existing authorization for the Unitil system money pool, in each case to reflect the Merger. Finally, E&H also requests authorization to solicit proxies or consents from the holders of the outstanding shares of its preferred stock (the "Solicitation") with respect to the approval by such holders with respect to the Merger and related transactions and from their bondholders in connection with consent for the indenture amendments discussed above. The proposed form of solicitation material to be used in the

Solicitation is included in Exhibit B-2 hereto and the proposed form of amended indenture for UES is included in Exhibit B-3 hereto.

C. Background

In 1984, Unitil was formed through a statutory share exchange under New Hampshire law as a result of which CECO and E&H became subsidiaries of Unitil. At that time, Unitil Power Corp. ("UPC") and Unitil Service Corp. ("USC") were also formed as subsidiaries of Unitil. Fitchburg Gas and Electric Light Company ("FG&E"), a Massachusetts combination gas and electric utility, became a subsidiary of Unitil in 1992 as a result of a merger of a subsidiary of Unitil into FG&E. As a result of this transaction, Unitil became a registered holding company under the Act.

CECO is a public utility company within the meaning of the Act. CECO is engaged in the transmission and distribution of electric energy at regulated rates to approximately 28,000 customers in Concord and the capital region of New Hampshire. CECO is regulated as a public utility in New Hampshire. As of June 30, 2002, CECO reported net utility plant of \$37,417,000 and operating revenues for the 12 months ended June 30, 2002 of \$52,263,000.

E&H is a public utility company within the meaning of the Act. E&H is engaged in the transmission and distribution of electric energy at regulated rates to approximately 41,000 customers in Exeter and the seacoast region of New Hampshire. E&H is regulated as a public utility by the New Hampshire Public Utilities Commission. As of June 30, 2002, E&H reported net utility plant of \$43,221,000 and operating revenues for the 12 months ended June 30, 2002 of \$58,053,000.

While the utility operations of CECO and E&H are administered and coordinated through Unitil's centralized service company, USC, and each company has, since 1986, secured all of its requirements for electric energy from UPC, the companies have different retail tariffs, rates and rate bases. The Merger will result in a new unified rate structure and a single rate base, and the elimination of any inefficiencies and duplicative costs resulting from the operation of the companies as two separate entities.

D. Summary of the Proposed Transaction

To accomplish the Merger, the companies will enter into a Merger Agreement approved by their respective boards of directors. Consummation of the transactions contemplated by the Merger Agreement will be subject to the receipt of all necessary regulatory approvals and to the approval of the shareholders of each company. Under the terms of the Merger Agreement, E&H will be merged with and into CECO with CECO as the surviving corporation. In connection with the Merger, CECO will change its name to Unitil Energy Systems, Inc. ("UES"). As a result of the Merger, all of E&H's assets and liabilities will, by operation of law, become the assets and liabilities of CECO.

1. Description of Outstanding Equity Securities of CECO and E&H.

CECO currently has 250,000 authorized shares of common stock (the "CECO Common Stock"), of which 131,745 shares are issued and outstanding and owned both of record and beneficially by Unitil; 2,250 authorized shares of non-cumulative preferred stock (the "CECO Non-Cumulative Preferred Stock"), all of which are issued and outstanding and none of which is owned, of record or beneficially, by Unitil; and 15,000 authorized shares of cumulative preferred stock (the "CECO Cumulative Preferred Stock"), of which 2,150 shares are issued and outstanding in a single series designated the "8.70% Series," none of which is owned, of record or beneficially, by Unitil. The CECO Non-Cumulative Preferred Stock is entitled to vote on all matters brought before the shareholders of CECO together with the CECO Common Stock, with each outstanding share entitled to one vote. The CECO Non-Cumulative Preferred Stock is not entitled to vote as a separate class. The CECO Cumulative Preferred Stock is not entitled to vote on any matter, except as may otherwise be authorized or required by the Business Corporation Act. Under the Business Corporation Act, the CECO Cumulative Preferred Stock will not be entitled to vote on the Merger and related transactions.

E&H currently has 197,417 authorized shares of common stock (the "E&H Common Stock"), of which 195,000 shares are issued and outstanding and owned both of record and beneficially by Unitil; and 25,000 authorized shares of cumulative preferred stock (the "E&H Cumulative Preferred Stock"), of which a total of 9,704 shares are issued and outstanding in four series as follows: 840 shares of the "5% Dividend Series", 1,680 shares of the "6% Dividend Series", 3,331 shares of the "8.75% Dividend Series" and 3,853 shares of the "8.25%

Dividend Series". None of the E&H Cumulative Preferred Stock is owned, of record or beneficially, by Unitil. The E&H Cumulative Preferred Stock is not entitled to vote as a separate class, unless such a class vote is otherwise authorized or required by the Business Corporation Act. Under the Business Corporation Act, each series of the E&H Cumulative Preferred Stock will be entitled to vote as a separate class on the proposed Merger with CECO, since, as described below, the terms of the Merger Agreement provide for the issuance to the holders of the E&H Cumulative Preferred Stock in exchange for their shares of E&H Cumulative Preferred Stock of an equal number of shares of CECO Cumulative Preferred Stock in four new series which will have the same terms and conditions as the existing series of the E&H Cumulative Preferred Stock for which they will be exchanged.

The authorized and unissued shares of CECO Cumulative Preferred Stock may be issued in series by CECO from time to time upon authorization of its board of directors, with the terms of each new series to be approved by the vote of two-thirds of the outstanding shares of CECO Common Stock and CECO Non-Cumulative Preferred Stock.

As part of the approval of the Merger Agreement, the board of directors of CECO and the holders of the CECO Common Stock and CECO Non-Cumulative Preferred Stock will approve an amendment to the CECO Articles of Incorporation creating the four new series of CECO Cumulative Preferred Stock to be issued in the Merger to the holders of the E&H Cumulative Preferred Stock. As previously noted, these four new series will have the same terms as the four series of E&H Cumulative Preferred Stock for which they will be exchanged.

2. Terms of the Merger Agreement.

Pursuant to the Merger Agreement, upon the effectiveness of the Merger, all of the issued and outstanding shares of E&H Common Stock will be converted into a single share of CECO Common Stock, and each share of E&H Cumulative Preferred Stock will be converted into a share of a new series of CECO Cumulative Preferred Stock, each such new series of CECO Cumulative Preferred Stock to have the same terms and conditions as the existing series of the E&H Cumulative Preferred Stock for which they will be exchanged. The shares of CECO Common Stock, CECO Non-Cumulative Preferred Stock and CECO Cumulative Preferred Stock issued and outstanding immediately prior to the Merger will remain outstanding and will not be affected by the Merger.

3. Amendments to Debt Indentures

E&H is party to an Indenture of Mortgage and Deed of Trust dated as of December 1, 1952 (the "E&H Indenture"), and CECO is party to an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (the "CECO Indenture"). There are currently three series of bonds outstanding under each of the E&H Indenture and the CECO Indenture.

While CECO and E&H could accomplish the Merger without combining the two indentures, which requires the consent of bondholders under the CECO Indenture and the E&H Indenture, doing so would result in the surviving company having to administer two separate indentures with somewhat differing provisions. Accordingly, in connection with the Merger, CECO and E&H are proposing to combine, amend and restate the E&H Indenture and the CECO Indenture into a single Indenture under which all of the currently outstanding bonds of E&H and CECO would remain outstanding. Bondholders under the new Indenture would be secured ratably in all of the real property assets of UES on the same terms on which they are currently secured in the real property assets of CECO and E&H.

The consent of each bondholder under the E&H Indenture and the CECO Indenture will be necessary to accomplish the proposed combination, amendment and restatement of the two Indentures. Applicants request authorization to seek such consent to the extent required under Rule 62 of the Act.

While the CECO Indenture and the E&H Indenture are largely identical instruments, there are differences between them. As part of the combination, amendment and restatement process, CECO and E&H propose to conform the provisions of the Indentures. Any special provisions applicable to the separate series of bonds under each Indenture which are contained in the Supplemental Indentures pursuant to which those series were issued will be preserved in the combination, amendment and restatement of the two Indentures. The proposed combination, amendment and restatement will not effect any material economic change in the provisions applicable to the bonds or any series thereof, such as their respective rates of interest, maturities, amounts outstanding or redemption features.

4. Boards of Directors and Shareholder Approvals.

The Merger Agreement and the transactions contemplated thereby are subject to the approval of the boards of directors of each of CECO and E&H. In addition, the Merger Agreement and related amendments to CECO's Articles of Incorporation are subject to the approval of the holders of the CECO Common Stock and the CECO Non-Cumulative Preferred Stock, voting together as a single class, and to the approval of the E&H Common Stock and each series of the E&H Cumulative Preferred Stock, each voting as a separate class. Because Unutil effectively controls the boards of directors of each of E&H and CECO as the result of its ownership of all of the issued and outstanding shares of common stock of each company, the approval of the Merger Agreement and related amendments to CECO's Articles of Incorporation by those boards of directors is assured. The approval of the holders of the CECO Common Stock and the CECO Non-Cumulative Preferred Stock of the Merger Agreement and related amendments to CECO's Articles of Incorporation is also assured, since Unutil controls the vote of more than 99% of all such shares.

The approval of the Merger Agreement by the holders of the E&H Common Stock is assured, since Unutil controls the vote of all of such shares. Unutil does not, however, control the vote of any outstanding series of the E&H Cumulative Preferred Stock. Unutil intends to solicit written consents in favor of the Merger Agreement and related transactions from the holders of each outstanding series of the E&H Cumulative Preferred Stock pursuant to the Solicitation. Because neither E&H nor any series of its capital stock is registered under the Securities Exchange Act of 1934, the Solicitation is subject only to the requirements of New Hampshire law and the terms of E&H's governance documents. Under Section 7.04 of the New Hampshire Business Corporation Act (RSA 293-A:7.04), the E&H Cumulative Preferred Stock can take action by unanimous written consent. Such action would also be consistent with the terms of E&H's governance documents. E&H has the right to call each outstanding series for redemption pursuant to the terms of each such series and Unutil currently intends to cause E&H to redeem the shares of any series which does not consent to the Merger Agreement and related transactions in accordance with the terms of Rule 42 of the Act. Thus, the requisite consent of the E&H Cumulative Preferred is assured.

5. Tax and Accounting Consequences of the Merger.

The Merger has been structured to qualify for tax purposes as a tax-free "reorganization" under Section 368(a) of the Internal Revenue Code. As a result, no gain or loss will be recognized by CECO or E&H or the holders of the CECO Common Stock, the CECO Non-Cumulative Preferred Stock, the CECO Cumulative Preferred Stock, the E&H Common Stock or the E&H Cumulative Preferred Stock. CECO and E&H expect that the Merger will qualify as a common control merger for accounting and financial reporting purposes. The accounting for a common control merger is similar to a pooling of interests. Under this accounting treatment, the combination of the ownership interests of the two companies is recognized and the recorded assets, liabilities, and capital accounts are carried forward at existing historical balances to the consolidated financial statements of UES (as the surviving company) following the Merger.

On a pro forma basis, giving effect to the Merger as of June 30, 2002, UES will have total assets of approximately \$112,047,000, including net utility plant of \$80,638,000, and operating revenues for the 12 months ended June 30, 2002 of approximately \$110,316,000. UES's pro forma consolidation capitalization as of June 30, 2002 (assuming the exchange of all of the E&H Cumulative Preferred Stock for new shares of UES Cumulative Preferred Stock) will be as follows:

Security	Amount Outstanding (in 000s)	Percentage
Common Stock Equity	28,411,000	35%
Preferred Stock	1,195,000	1.5%
Short-Term Debt	1,550,000	1.9%
Long-Term Debt	50,000,000	61.6%
Total:	81,156,000	100%

6. Money Pool Matters.

CECO and E&H participate in the Until system money pool arrangement ("Money Pool") that is funded, as needed, through bank borrowings and surplus funds invested by the participants in the Money Pool. See Holding Co. Act Release Nos. 70-26737 (June 30, 1997); 70-27182 (June 9, 2000); 70-27307 (Dec. 15, 2000) and 70-27345 (Feb. 14, 2001). Participation in the Money Pool, including short-term debt borrowings, by CECO and E&H are authorized by the New Hampshire Public Utility Commission, and therefore exempt under Rule 52. However, borrowings by and loans to Until's other utility subsidiary, Fitchburg Gas and Electric Light Company ("Fitchburg"), are not exempt. Following the Merger, it is proposed that UES be authorized to make loans to Fitchburg on the same terms as CECO's and E&H's current authorization. All other terms, conditions and limitations under the Money Pool orders will continue to apply without change.

E. Intended Benefits from the Merger.

By merging E&H into CECO, the Applicants will simplify the corporate structure of Until's holding company system. The Merger will also permit the achievement of cost efficiency and service quality improvements. Based upon Until's already centralized service company structure, the two New Hampshire distribution operating companies may only achieve nominal operational gains as a result of having a single New Hampshire operating entity. However, the combined knowledge and experience of the two companies will benefit the remaining stand-alone company. For example, the power contract management activities will become more streamlined by eliminating one of the two New Hampshire retail operating companies. In the Distribution Business Development (DBD) department, a benefit will be a decrease in administrative tasks and reporting requirements. The decrease in tasks will not be enough to decrease the employees assigned to this function, but will allow the current employees additional time to work on other tasks to improve the quality of support provided to the communities that Until serves. Similarly, Customer Service operations, which are currently consolidated, will be simplified by the consolidation of two tariffs and sets of rates into one, leading to increased operating efficiency and improved service to customers. The Operations Systems department views the Merger as a first step towards the consideration of a consolidated meter reading system. For the Finance and Treasury and Regulatory Services departments, there

will be a decrease in the number of required reports, analyses, and filings, which will also lead to greater cost efficiencies and enhanced services at the New Hampshire utilities.

The Applicants believe that the Merger will generate cost efficiencies which would not be available absent the Merger, with no adverse consequences for either customers or shareholders. The Merger will not have a negative impact on competition or on effective local regulation. In fact, the Merger is being undertaken in the context of, and to ensure compliance with, a state restructuring plan designed to enhance competition. Accordingly, the Applicants believe that the Merger is in accordance with the applicable standards of the Act and the rules and regulations thereunder.

Item 2. Fees, Commissions and Expenses

The total fees, commission and expenses paid or incurred in connection with the Merger and related transactions (including the Solicitation), which consist primarily of attorneys fees plus additional miscellaneous fees, are estimated to be not more than \$1 million.

Item 3. Applicable Statutory Provisions

A. Applicable Provisions

Sections 6, 7, 9, 10 and 12 of the Act, and Rules 43, 44, 45, 54 and 62 thereunder are applicable to the Merger and related transactions, including the amendment and combination of the debt indentures. The proposed transaction involves the merger of two wholly-owned public utility subsidiaries of Unitil Corporation and certain other related transactions. The electric utility operations of the two companies will be unaffected by the Merger. The Merger will allow the companies to achieve a greater level of coordination in operations and will enable the companies to achieve greater cost efficiencies, among other benefits. In addition, the Merger will simplify the Unitil corporate structure. This merger of wholly-owned subsidiaries to simplify corporate structure is consistent with existing Commission precedent (See Alliant Energy Corporation, Holding Company Act Release No. 27456 (Oct. 24, 2001)), and is designed to meet one of the primary goals of the Act, namely to facilitate state regulation.

Section 12(e) of the Act and Rule 62 are applicable to the Solicitation as well as obtaining the consent of bondholders under the two indentures. As indicated, the holders of each outstanding series of E&H Cumulative Preferred Stock will be asked to approve the Merger as a

separate class through a consent solicitation and the bondholders of the CECO Indenture and E&H Indenture will be asked to consent to the amendment and combination of those indentures.

B. Rule 54 Analysis

Neither Unitil nor any subsidiary thereof presently has, or as a consequence of the proposed transactions will have, an interest in any exempt wholesale generator ("EWG") or foreign utility company ("FUCO"), as those terms are defined in Sections 32 and 33 of the Act, respectively. None of the proceeds from the proposed transactions will be used to acquire any securities of, or any interest in, an EWG or FUCO. Moreover, neither Unitil nor any of the subsidiaries is, or as a consequence of the proposed transactions will become, a party to, and such entities do not and will not have any rights under, a service, sales or construction contract with any affiliated EWGs or FUCOs except in accordance with the rules and regulations promulgated by the Commission with respect thereto. Consequently, all applicable requirements of Rule 53(a)-(c) under the Act are satisfied as required by Rule 54 under the Act.

Item 4. Regulatory Approvals

The federal and state regulatory requirements described below must be complied with before the Applicants can complete the Merger and related transactions. The Applicants currently believe that the necessary approvals can be obtained by the fourth quarter of 2002. Except as set forth below, no additional approvals from federal or state regulatory commissions are required to complete the Merger and related transactions.

State Approvals

New Hampshire

CECO and E&H are subject to the jurisdiction of the New Hampshire Commission as public utilities, and the approval of the New Hampshire Commission is required to implement the Merger and the related transfer of all existing franchises, rights, works and systems of CECO and E&H to UES, pursuant to RSA 374:33, 374:30 and 369:1. The NHPUC will also approve the issuance of the four new series of preferred stock by UES in connection with the Merger. On January 25, 2001, CECO and E&H filed an application seeking the approval of the New Hampshire Commission consistent with these requirements. The New Hampshire proceeding is being conducted in phases: Settlement on Phase I of the proceeding, addressing the divestiture

of Unitil's power supply portfolio and acquisition of transition service and default service was presented to the NHPUC on May 31, 2002, and the Phase II settlement of the Merger and the realignment of Unitil's rate structure is anticipated to be filed by September 3, 2002 with an anticipated order date of October 28, 2002.

Federal Approvals

Federal Power Act

The FERC must approve the Merger. Under Section 203 of the Federal Power Act, the FERC is directed to approve a merger if it finds such merger consistent with the public interest. In reviewing a merger, the FERC generally evaluates:

- o whether the merger will adversely affect competition;
- o whether the merger will adversely affect rates; and
- o whether the merger will impair the effectiveness of regulation.

The parties will file in the near future an application with the FERC requesting approval of the Transaction under Section 203 of the Federal Power Act. At that time, the parties will file a copy with the Commission. When the FERC issues an order on the application, the parties will also file a copy of the order.

In addition, the Applicants will file a Notice of Succession for UES to succeed to the rate schedules and tariffs of CECO and E&H.

Item 5. Procedure

The Applicants expect to close the proposed Merger on or about December 1, 2002. The Applicants respectfully request that the Commission issue and publish, not later than September 20, 2002, the requisite notice under Rule 23 with respect to the filing of this Application-Declaration, such notice to specify a date not later than October 15, 2002 by which comments may be entered and a date not later than October 17, 2002 as the date after which an order of the Commission granting and permitting this Application to become effective may be entered by the Commission. Applicants request that the notice include an order authorizing commencement of the Solicitation and process of seeking of the bondholder consents.

The Applicants waive a recommended decision by a hearing or other responsible officer of the Commission for approval of the Merger and consent to the Division of Investment Management's assistance in the preparation of the Commission's decision. There should not be a waiting period between the issuance of the Commission's order and the date on which it is to become effective.

Item 6. Exhibits and Financial Statements

A. EXHIBITS

- A-1 Articles of Incorporation of CECO. (Filed in paper format on Form SE)
- A-2 Bylaws of CECO, as amended.
- A-3 Articles of Incorporation of E&H. (Filed in paper format on Form SE)
- A-4 Bylaws of E&H, as amended.
- B-1. Proposed form of Agreement and Plan of Merger between CECO and E&H.
- B-2 Proposed form of Solicitation material.
- B-3 Proposed form of Indenture for UES. (to be filed by amendment)
- C-1 Copy of Petition to the New Hampshire Public Utilities Commission.
- C-2 Copy of Petition to the FERC. (to be filed by amendment)
- C-3 Order of NHPUC (to be filed by amendment)
- C-4 Copy of Order of the FERC. (to be filed by amendment)
- D Map of CECO and E&H Service Areas. (Filed in paper format on Form SE)
- E Opinion of Counsel (to be filed by amendment)
- F Form of Federal Register Notice.

B. FINANCIAL STATEMENTS

- FS-1 Unaudited Statement of Income of CECO for the twelve months ended June 30, 2002.

FS-2 Unaudited Balance Sheet of CECO as of June 30, 2002

FS-3 Unaudited Statement of Income of E&H for the twelve months ended June 30, 2002.

FS-4 Unaudited Balance Sheet of E&H as of June 30, 2002

FS-5 Unaudited Pro Forma Combined Balance Sheet of UES as of June 30, 2002.

FS-6 Unaudited Pro Forma Combined Statement of Income of UES for the twelve months ended June 30, 2002.

Item 7. Information as to Environmental Effects

The Merger and related transactions do not involve a "major federal action" nor does it "significantly affect the quality of the human environment" as those terms are used in section 102(2)(C) of the National Environmental Policy Act. The Merger and related transactions will not result in changes in the operation of the Applicants that will have an impact on the environment. The Applicant are not aware of any federal agency that has prepared or is preparing an environmental impact statement with respect to the transactions that are the subject of this Applicant-Declaration.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, Applicants have duly caused this Application-Declaration to be signed on their behalf by the undersigned thereunto duly authorized.

CONCORD ELECTRIC COMPANY
EXETER & HAMPTON ELECTRIC COMPANY

By: /s/ Mark H. Collin

Name: Mark H. Collin

BY-LAWS
OF
CONCORD ELECTRIC COMPANY

ARTICLE I STOCKHOLDERS' MEETINGS

The annual meeting of the stockholders of Concord Electric Company shall be held on the fourth Thursday in March of each year; and special meetings of the stockholders shall be held whenever the President or a majority of the Board of Directors, in their discretion, shall order the same, or whenever one or more stockholders, holding in the aggregate not less than one-tenth (1/10) of the capital stock of the Corporation entitled to vote at such meeting, shall so request the Secretary in writing, which writing shall indicate the purposes for which said meeting is to be called.

All such meetings, both annual and special, may be held at such time and in such place within or without The State of New Hampshire as the call therefor shall specify, and notice of every such meeting shall be given to each stockholder of record entitled to vote at the meeting by mailing a notice not less than ten (10) nor more than fifty (50) days before the day named for the meeting. Notices of all meetings of stockholders shall state the purposes for which the meetings are called.

In the event of the annual meeting, by mistake or otherwise, not being called and held as herein provided, a special meeting of the stockholders may be called and held in lieu of and for the purposes of the annual meeting. Any such special meeting may be called in the same manner as other special meetings or as provided by statute. Any election had or business done at any special meeting shall be as valid and effectual as if had or done at a meeting called as an annual meeting and duly held on said date.

At any meeting, the holders of record of a majority of the shares entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum, but less than a quorum may adjourn the meeting, either sine die or to a date certain.

At any meeting, each stockholder of the Corporation entitled to vote at such meeting shall have one vote in person or by proxy for each share of stock having voting rights registered in his name on the books of the Corporation. A stockholder may vote through a proxy authorized by a written instrument signed by the stockholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution.

ARTICLE II BOARD OF DIRECTORS

The property, business and affairs of the Corporation shall be managed by a Board of not less than nine (9) nor more than fifteen (15) Directors, and they are hereby vested in such management with all the powers which the Corporation itself possess so far as such delegation of power is not incompatible with the provisions of these By-Laws

Effective: March 26, 1998

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or the statutes of The State of New Hampshire. No Director need be a stockholder of the Corporation.

The number of Directors shall be fixed within the limits provided in the immediately preceding paragraph by the Board of Directors. The Directors of this Corporation shall be elected by ballot at the annual meeting of the stockholders of the Corporation, or special meeting held in lieu thereof. The Directors shall hold their office for one year from the date hereinbefore fixed for the annual meeting and until their successors are elected and qualified.

Any vacancy occurring in the Board of Directors from the death, resignation, removal, disqualification or inability to act of any Director, or from any other cause, may be filled for the unexpired term by a majority vote of the remaining Directors, though said remaining Directors may be less than a quorum.

The Directors may appoint and remove at pleasure such subordinate officers and employees as may seem to them wise.

They shall have access to the books, vouchers and funds of the Corporation; shall determine upon the forms of certificates of stock and of the corporate seal; shall fix all salaries and fees; may fill all vacancies that may occur at any time during the year in any office; and shall declare dividends from time to time as they may deem best.

Meetings of the Board of Directors may be held at any time and place within The State of New Hampshire or elsewhere within the United States on notice of the Secretary, who may and on request of the President or any two Directors shall call any such meeting, twenty-five hours notice thereof being given. Any such meeting, however, and all business transacted thereat, shall be legal and valid without notice if all the members of the Board are present in person or participating therein, or if the members who are absent waive notice by a signed written instrument filed with the records of the meeting or assent in writing to the action taken or to be taken.

A majority of the Board of Directors shall constitute a quorum for the

transaction of business, but a lesser number may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. When a quorum is present at or participating in any meeting, a majority of the members in attendance thereat or participating therein shall decide any question brought before such meeting, unless otherwise required by statute, the Articles of Incorporation or these By-Laws.

Members of the Board of Directors shall be entitled to such reasonable compensation for their services as Directors as shall be fixed from time to time by vote of the Board of Directors and shall also be entitled to reimbursement for any reasonable expenses incurred in connection with attendance at meetings thereof. The compensation of Directors may be on such basis as shall be determined in the vote of the Board relating thereto.

Effective: March 26, 1998

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ARTICLE III COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors, by vote or votes duly adopted, may appoint such committees as said Board may deem appropriate. Each committee shall consist of three (3) or more members of the Board of Directors and shall have and may exercise such powers and authority as shall be conferred or authorized by the vote(s) establishing it. The existence of any committee may be terminated, or its powers and authority modified, at any time by vote of the Board of Directors. Members of each committee shall be entitled to receive a fee for attendance at meetings thereof as shall be provided or authorized by the vote(s) establishing it, and all members of each committee shall be entitled to reimbursement for expenses incurred in connection with attendance at meetings thereof.

Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. Unless otherwise determined by the Board of Directors, each committee may appoint a chairman and a secretary and such other officers of the committee as it may deem advisable and may determine (a) the time and place of holding each meeting thereof, (b) the notice of meetings to be given to members and (c) all other procedural questions which may arise in connection with the work of such committee.

ARTICLE IV OFFICERS

The officers of the Corporation shall be a President, one or more Vice Presidents, a Treasurer, one or more Assistant Treasurers, a Secretary, a Controller and such other officers and agents as the Directors may from time to time authorize. No officer need be a stockholder of the Corporation.

All officers of the Corporation shall be elected, chosen or appointed by the Board of Directors at its first meeting after the annual meeting of stockholders, or special meeting held in lieu thereof. Each of said officers so elected, chosen or appointed shall hold his office until the first meeting of Directors after the next annual meeting of stockholders, or special meeting in lieu thereof, and until his successor shall have been chosen and qualified, or until his death, resignation or removal.

Any officer may be removed from office, with or without cause, at any time by the affirmative vote of a majority of the Board of Directors.

ARTICLE V PRESIDENT

The President shall be chosen from among the members of the Board of Directors. He shall be the chief executive officer of the Corporation and, subject to its Board of Directors, shall exercise general supervision of its affairs. He shall preside at all meetings of the stockholders and of the Directors when present.

The President, subject to the Board of Directors and its Chairman, shall also have charge of the business of the Corporation relating to general operation and shall perform all the duties of his office prescribed by law or by vote of the Directors.

In the absence of the President from any meeting of the stockholders or of the Directors, any Vice President shall preside thereat with like authority. In the absence of the President and all the Vice Presidents, a President pro tempore shall be chosen.

ARTICLE VI VICE PRESIDENTS

Any Vice President shall have, in addition to any duties and powers set forth in these By-Laws, such duties and powers as are usually incident to such office and as the Directors shall from time to time designate.

ARTICLE VII SECRETARY

The Secretary, who shall be sworn, shall be the Secretary of the Corporation; and shall attend all meetings of the stockholders, keep accurate records thereof and perform all other duties incident to such office.

In the absence of the Secretary from any of such meetings, a Secretary pro tempore shall be chosen.

ARTICLE VIII TREASURER

The Treasurer shall perform such duties as are required by statute, deemed by superior executive officers of the Corporation incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

ARTICLE IX ASSISTANT TREASURERS

In case of the death, absence or inability to act of the Treasurer, any Assistant Treasurer may exercise any or all of the powers of the Treasurer, subject, however, to the limitation expressed in Article VIII hereof and such further limitations as the Board of Directors may impose.

ARTICLE X CONTROLLER

The Controller shall direct the Corporation's accounting functions, which shall include responsibility for the preparation and filing of necessary statements and reports, and he shall have such other duties as the Directors shall from time to time designate.

ARTICLE XI INDEMNIFICATION

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the person's having served as, or by reason of the person's alleged acts or omissions while serving as a director, officer, employee or agent of the Corporation, or while serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement or otherwise actually and reasonably incurred by him in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he reasonable believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, said indemnification to be to the full extent permitted by law under the circumstances, including, without limitation, by all applicable provisions of the New Hampshire Business Corporation Act ("the Act").

Any indemnification under this Article shall be made by the Corporation with respect to Directors or other persons after a determination that the person to be indemnified has met the standards of conduct set forth in the Act, such determination to be made by the Board of Directors, by majority vote of a quorum, or by other persons authorized to make such a determination under the Act.

The right of indemnification arising under this Article is adopted for the purpose of inducing persons to serve and to continue to serve the Corporation without concern that their service may expose them to personal financial harm. It shall be broadly construed, applied and implemented in light of this purpose. It shall not be exclusive of any other right to which any such person is entitled under any agreement, vote of the stockholders or the Board of Directors, statute, or as a matter of law, or otherwise, nor shall it be construed to limit or confine in any respect the power of the Board of Directors to grant indemnity pursuant to any applicable statutes or laws of The State of New Hampshire. The provisions of this Article are separable, and, if any provision or portion hereof shall for any reason be held inapplicable, illegal or ineffective, this shall not affect any other right of indemnification existing under this Article or otherwise. As used herein, the term "person:" includes heirs, executors, administrators or other legal representatives. As used herein, the terms "Director" and "officer" include persons elected or appointed as officers by the Board of Directors, persons elected as Directors by the stockholders or by the Board of Directors, and persons who serve by vote or at the request of the Corporation as directors, officers or trustees of another organization in which the Corporation has any direct or indirect interest as a shareholder, creditor or otherwise.

The Corporation may purchase and maintain insurance on behalf of any person who was or is a Director, officer or employee of the Corporation or any of its subsidiaries, or who was or is serving at the request of the Corporation as a fiduciary of

any employee benefit plan of the Corporation or any subsidiary, against any liability asserted against, and incurred by, such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the Act. The obligation to indemnify and reimburse such person under this Article, if applicable, shall be reduced by the amount of any such insurance proceeds paid to such person, or the representatives or successors of such person.

ARTICLE XII CERTIFICATES OF STOCK

Each stockholder shall be entitled to a certificate representing shares of the capital stock of the Corporation owned by him, in such form as shall, in conformity to law, be prescribed from time to time by the Board of Directors. Certificates of stock shall be signed by the President and the Treasurer of the Corporation and sealed with the corporate seal. In case any officer who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such before the certificate is issued, it may be issued by the Corporation with the same effect as if such officer had not ceased to be such at the time of its issue.

Shares of stock of the Corporation may be transferred on the books of the Corporation by the registered owner thereof or by his duly authorized attorney by assignment thereof in writing, accompanied by delivery of the certificate. No such transfer of stock, however, shall affect the right of the Corporation to pay any dividend thereon or to treat the holder of record as the holder in fact until the transfer has been recorded upon the books of the Corporation or a new certificate has been issued to the person to whom the stock has been transferred.

In case of the loss of a certificate, a duplicate may be issued upon such reasonable terms as the Board of Directors shall prescribe.

The Board of Directors may appoint one or more transfer agents and registrars and may require all certificates representing shares of the Corporation's stock to bear the signatures of any of them.

ARTICLE XIII CLOSING OF TRANSFER BOOKS

The transfer books of the Corporation may be closed for not exceeding fifteen (15) days next prior to any meeting of the stockholders, and at such other times and for such reasonable periods as may be determined by the Board of Directors.

ARTICLE XIV FIXING OF RECORD DATES

The Board of Directors may fix in advance a date not exceeding sixty (60) days prior to the date of (1) any meeting of the stockholders, (2) the payment of any dividend, (3) the making of any distribution to stockholders, (4) the last day upon which the consent or dissent of stockholders may be effectively expressed for any purpose or (5) delivery of evidences of rights or interests arising out of any issue, change, conversion or

exchange of capital stock, as a record date for the determination of the stockholders entitled (a) to notice of and to vote at any meeting and adjournments thereof, (b) to receive dividend, (c) to receive any distribution to stockholders, (d) to consent or dissent for any purpose or (e) to receive delivery of evidences or rights or interests arising out of any issue, change, conversion or exchange of capital stock, and in such case only stockholders of record on such record date shall have such rights notwithstanding any transfer of stock upon the books of the Corporation after such record date.

ARTICLE XV FISCAL YEAR

The fiscal year of the Corporation shall end on the 31st day of December in each year.

ARTICLE XVI AMENDMENTS

These By-Laws may, upon notice, be altered, amended or repealed at any meeting of the stockholders by vote of the holders of a majority or more of the stock entitled to vote at such meeting. Notwithstanding the foregoing, as provided by statute, a majority of the Board of Directors may make, amend or repeal these By-Laws in whole or in part, except with respect to any provision thereof which by statute or by the Articles of Incorporation requires action by the stockholders.

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BY-LAWS
OF
EXETER & HAMPTON ELECTRIC COMPANY

ARTICLE I STOCKHOLDERS' MEETINGS

The annual meeting of the stockholders of Exeter & Hampton Electric Company shall be held on the fourth Thursday in March of each year; and special meetings of the stockholders shall be held whenever the President or a majority of the Board of Directors, in their discretion, shall order the same, or whenever one or more stockholders, holding in the aggregate not less than one-tenth (1/10) of the capital stock of the Corporation entitled to vote at such meeting, shall so request the Secretary in writing, which writing shall indicate the purposes for which said meeting is to be called.

All such meetings, both annual and special, may be held at such time and in such place within or without The State of New Hampshire as the call therefor shall specify, and notice of every such meeting shall be given to each stockholder of record entitled to vote at the meeting by mailing a notice not less than ten (10) nor more than fifty (50) days before the day named for the meeting. Notices of all meetings of stockholders shall state the purposes for which the meetings are called.

In the event of the annual meeting, by mistake or otherwise, not being called and held as herein provided, a special meeting of the stockholders may be called and held in lieu of and for the purposes of the annual meeting. Any such special meeting may be called in the same manner as other special meetings or as provided by statute. Any election had or business done at any special meeting shall be as valid and effectual as if had or done at a meeting called as an annual meeting and duly held on said date.

At any meeting, the holders of record of a majority of the shares entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum, but less than a quorum may adjourn the meeting, either sine die or to a date certain.

At any meeting, each stockholder of the Corporation entitled to vote at such meeting shall have one vote in person or by proxy for each share of stock having voting rights registered in his name on the books of the Corporation. A stockholder may vote through a proxy authorized by a written instrument signed by the stockholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution.

ARTICLE II BOARD OF DIRECTORS

The property, business and affairs of the Corporation shall be managed by a Board of not less than nine (9) nor more than fifteen (15) Directors, and they are hereby vested in such management with all the powers which the Corporation itself possess so far as such delegation of power is not incompatible with the provisions of these By-Laws

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or the statutes of The State of New Hampshire. No Director need be a stockholder of the Corporation.

The number of Directors shall be fixed within the limits provided in the immediately preceding paragraph by the Board of Directors. The Directors of this Corporation shall be elected by ballot at the annual meeting of the stockholders of the Corporation, or special meeting held in lieu thereof. The Directors shall hold their office for one year from the date hereinbefore fixed for the annual meeting and until their successors are elected and qualified.

Any vacancy occurring in the Board of Directors from the death, resignation, removal, disqualification or inability to act of any Director, or from any other cause, may be filled for the unexpired term by a majority vote of the remaining Directors, though said remaining Directors may be less than a quorum.

The Directors may appoint and remove at pleasure such subordinate officers and employees as may seem to them wise.

They shall have access to the books, vouchers and funds of the Corporation; shall determine upon the forms of certificates of stock and of the corporate seal; shall fix all salaries and fees; may fill all vacancies that may occur at any time during the year in any office; and shall declare dividends from time to time as they may deem best.

Meetings of the Board of Directors may be held at any time and place within The State of New Hampshire or elsewhere within the United States on notice of the Secretary, who may and on request of the President or any two Directors shall call any such meeting, twenty-five hours notice thereof being given. Any such meeting, however, and all business transacted thereat, shall be legal and valid without notice if all the members of the Board are present in person or participating therein, or if the members who are absent waive notice by a signed written instrument filed with the records of the meeting or assent in writing to the action taken or to be taken.

A majority of the Board of Directors shall constitute a quorum for the

transaction of business, but a lesser number may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. When a quorum is present at or participating in any meeting, a majority of the members in attendance thereat or participating therein shall decide any question brought before such meeting, unless otherwise required by statute, the Articles of Incorporation or these By-Laws.

Members of the Board of Directors shall be entitled to such reasonable compensation for their services as Directors as shall be fixed from time to time by vote of the Board of Directors and shall also be entitled to reimbursement for any reasonable expenses incurred in connection with attendance at meetings thereof. The compensation of Directors may be on such basis as shall be determined in the vote of the Board relating thereto.

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ARTICLE III COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors, by vote or votes duly adopted, may appoint such committees as said Board may deem appropriate. Each committee shall consist of three (3) or more members of the Board of Directors and shall have and may exercise such powers and authority as shall be conferred or authorized by the vote(s) establishing it. The existence of any committee may be terminated, or its powers and authority modified, at any time by vote of the Board of Directors. Members of each committee shall be entitled to receive a fee for attendance at meetings thereof as shall be provided or authorized by the vote(s) establishing it, and all members of each committee shall be entitled to reimbursement for expenses incurred in connection with attendance at meetings thereof.

Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. Unless otherwise determined by the Board of Directors, each committee may appoint a chairman and a secretary and such other officers of the committee as it may deem advisable and may determine (a) the time and place of holding each meeting thereof, (b) the notice of meetings to be given to members and (c) all other procedural questions which may arise in connection with the work of such committee.

ARTICLE IV OFFICERS

The officers of the Corporation shall be a President, one or more Vice Presidents, a Treasurer, one or more Assistant Treasurers, a Secretary, a Controller and such other officers and agents as the Directors may from time to time authorize. No officer need be a stockholder of the Corporation.

All officers of the Corporation shall be elected, chosen or appointed by the Board of Directors at its first meeting after the annual meeting of stockholders, or special meeting held in lieu thereof. Each of said officers so elected, chosen or appointed shall hold his office until the first meeting of Directors after the next annual meeting of stockholders, or special meeting in lieu thereof, and until his successor shall have been chosen and qualified, or until his death, resignation or removal.

Any officer may be removed from office, with or without cause, at any time by the affirmative vote of a majority of the Board of Directors.

ARTICLE V PRESIDENT

The President shall be chosen from among the members of the Board of Directors. He shall be the chief executive officer of the Corporation and, subject to its Board of

Directors, shall exercise general supervision of its affairs. He shall preside at all meetings of the stockholders and of the Directors when present.

The President, subject to the Board of Directors and its Chairman, shall also have charge of the business of the Corporation relating to general operation and shall perform all the duties of his office prescribed by law or by vote of the Directors.

In the absence of the President from any meeting of the stockholders or of the Directors, any Vice President shall preside thereat with like authority. In the absence of the President and all the Vice Presidents, a President pro tempore shall be chosen.

ARTICLE VI VICE PRESIDENTS

Any Vice President shall have, in addition to any duties and powers set forth in these By-Laws, such duties and powers as are usually incident to such office and as the Directors shall from time to time designate.

ARTICLE VII SECRETARY

The Secretary, who shall be sworn, shall be the Secretary of the Corporation; and shall attend all meetings of the stockholders, keep accurate records thereof and perform all other duties incident to such office.

In the absence of the Secretary from any of such meetings, a Secretary pro tempore shall be chosen.

ARTICLE VIII TREASURER

The Treasurer shall perform such duties as are required by statute, deemed by superior executive officers of the Corporation incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

ARTICLE IX ASSISTANT TREASURERS

In case of the death, absence or inability to act of the Treasurer, any Assistant Treasurer may exercise any or all of the powers of the Treasurer, subject, however, to the limitation expressed in Article VIII hereof and such further limitations as the Board of Directors may impose.

ARTICLE X CONTROLLER

The Controller shall direct the Corporation's accounting functions, which shall include responsibility for the preparation and filing of necessary statements and reports, and he shall have such other duties as the Directors shall from time to time designate.

ARTICLE XI INDEMNIFICATION

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the person's having served as, or by reason of the person's alleged acts or omissions while serving as a director, officer, employee or agent of the Corporation, or while serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement or otherwise actually and reasonably incurred by him in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he reasonable believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, said indemnification to be to the full extent permitted by law under the circumstances, including, without limitation, by all applicable provisions of the New Hampshire Business Corporation Act ("the Act").

Any indemnification under this Article shall be made by the Corporation with respect to Directors or other persons after a determination that the person to be indemnified has met the standards of conduct set forth in the Act, such determination to be made by the Board of Directors, by majority vote of a quorum, or by other persons authorized to make such a determination under the Act.

The right of indemnification arising under this Article is adopted for the purpose of inducing persons to serve and to continue to serve the Corporation without concern that their service may expose them to personal financial harm. It shall be broadly construed, applied and implemented in light of this purpose. It shall not be exclusive of any other right to which any such person is entitled under any agreement, vote of the stockholders or the Board of Directors, statute, or as a matter of law, or otherwise, nor shall it be construed to limit or confine in any respect the power of the Board of Directors to grant indemnity pursuant to any applicable statutes or laws of The State of New Hampshire. The provisions of this Article are separable, and, if any provision or portion hereof shall for any reason be held inapplicable, illegal or ineffective, this shall not affect any other right of indemnification existing under this Article or otherwise. As used herein, the term "person" includes heirs, executors, administrators or other legal representatives. As used herein, the terms "Director" and "officer" include persons elected or appointed as officers by the Board of Directors, persons elected as Directors by the stockholders or by the Board of Directors, and persons who serve by vote or at the request of the Corporation as directors, officers or trustees of another organization in

which the Corporation has any direct or indirect interest as a shareholder, creditor or otherwise.

The Corporation may purchase and maintain insurance on behalf of any person who was or is a Director, officer or employee of the Corporation or any of its subsidiaries, or who was or is serving at the request of the Corporation as a fiduciary of any employee benefit plan of the Corporation or any subsidiary, against any liability asserted against, and incurred by, such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the Act. The obligation to indemnify and reimburse such person under this Article, if applicable, shall be reduced by the amount of any such insurance proceeds paid to such person, or the representatives or successors of such person.

ARTICLE XII CERTIFICATES OF STOCK

Each stockholder shall be entitled to a certificate representing shares of the capital stock of the Corporation owned by him, in such form as shall, in conformity to law, be prescribed from time to time by the Board of Directors. Certificates of stock shall be signed by the President and the Treasurer of the Corporation and sealed with the corporate seal. In case any officer who has signed or whose facsimile signature has been placed upon any certificate shall have ceased to be such before the certificate is issued, it may be issued by the Corporation with the same effect as if such officer had not ceased to be such at the time of its issue.

Shares of stock of the Corporation may be transferred on the books of the Corporation by the registered owner thereof or by his duly authorized attorney by assignment thereof in writing, accompanied by delivery of the certificate. No such transfer of stock, however, shall affect the right of the Corporation to pay any dividend thereon or to treat the holder of record as the holder in fact until the transfer has been recorded upon the books of the Corporation or a new certificate has been issued to the person to whom the stock has been transferred.

In case of the loss of a certificate, a duplicate may be issued upon such reasonable terms as the Board of Directors shall prescribe.

The Board of Directors may appoint one or more transfer agents and registrars and may require all certificates representing shares of the Corporation's stock to bear the signatures of any of them.

ARTICLE XIII CLOSING OF TRANSFER BOOKS

The transfer books of the Corporation may be closed for not exceeding fifteen (15) days next prior to any meeting of the stockholders, and at such other times and for such reasonable periods as may be determined by the Board of Directors.

ARTICLE XIV FIXING OF RECORD DATES

The Board of Directors may fix in advance a date not exceeding sixty (60) days prior to the date of (1) any meeting of the stockholders, (2) the payment of any dividend, (3) the making of any distribution to stockholders, (4) the last day upon which the consent or dissent of stockholders may be effectively expressed for any purpose or (5) delivery of evidences of rights or interests arising out of any issue, change, conversion or exchange of capital stock, as a record date for the determination of the stockholders entitled (a) to notice of and to vote at any meeting and adjournments thereof, (b) to receive dividend, (c) to receive any distribution to stockholders, (d) to consent or dissent for any purpose or (e) to receive delivery of evidences or rights or interests arising out of any issue, change, conversion or exchange of capital stock, and in such case only stockholders of record on such record date shall have such rights notwithstanding any transfer of stock upon the books of the Corporation after such record date.

ARTICLE XV FISCAL YEAR

The fiscal year of the Corporation shall end on the 31st day of December in each year.

ARTICLE XVI AMENDMENTS

These By-Laws may, upon notice, be altered, amended or repealed at any meeting of the stockholders by vote of the holders of a majority or more of the stock entitled to vote at such meeting. Notwithstanding the foregoing, as provided by statute, a majority of the Board of Directors may make, amend or repeal these By-Laws in whole or in part, except with respect to any provision thereof which by statute or by the Articles of Incorporation requires action by the stockholders.

Effective: March 26, 1998

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THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is made as of _____, 2002, by and between EXETER & HAMPTON ELECTRIC COMPANY, a New Hampshire corporation ("E&H"), and CONCORD ELECTRIC COMPANY, a New Hampshire corporation ("CECo").

WHEREAS, CECo has authorized capital consisting of (1) 250,000 shares of Common Stock, no par value ("CECo Common Stock"), of which 131,745 shares are issued and outstanding and are owned beneficially and of record by Unital Corporation ("Unital"); (2) 2,250 shares of non-cumulative preferred stock, with a par value of \$100 per share ("CECo Non-Cumulative Preferred Stock"), of which 2,250 shares are issued and outstanding; and (3) 15,000 shares of cumulative preferred stock, with a par value of \$100 per share ("CECo Cumulative Preferred Stock"), of which 2,150 shares are issued and outstanding in a single series designated the "8.70% Series", and the remaining 12,850 shares are undesignated and unissued;

WHEREAS, E&H has authorized capital consisting of (1) 197,417 shares of Common Stock, with a par value of \$5 per share ("E&H Common Stock"), of which 195,000 shares are issued and outstanding and owned beneficially and of record by Unital, and (2) 25,000 shares of cumulative preferred stock, with a par value of \$100 per share ("E&H Cumulative Preferred Stock"), of which a total of 9,704 shares are issued and outstanding in four series as follows, and the remaining 15,296 shares are undesignated and unissued: (a) 840 shares of the Preferred Stock 5% Dividend Series ("E&H 5% Series"), (b) 1,680 shares of the Preferred Stock 6% Dividend Series ("E&H 6% Series"), (c) 3,331 shares of the 8.75% Series ("E&H 8.75% Series"), and (d) 3,853 shares of the 8.25% Series ("E&H 8.25% Series"); and

WHEREAS, the Board of Directors of each of CECo and E&H deems it advisable to merge E&H with and into CECo (the "Merger") in accordance with the New Hampshire Business Corporation Act ("BCA") and this Agreement;

NOW, THEREFORE, in consideration of the premises and agreements contained herein, the parties agree that (1) E&H shall be merged with and into CECo, said action constituting the "Merger", (2) CECo shall be the corporation surviving the Merger, and (3) the terms and conditions of the Merger, the means of carrying it into effect and the manner of converting shares of capital stock shall be as follows:

ARTICLE 1
THE MERGER

ss.1.1. Plan of Merger. This Agreement shall constitute a plan of merger between CECo and E&H (CECo and E&H being sometimes referred to herein as the "Constituent Corporations") in accordance with Section 11.01 of the BCA.

ss.1.2. Articles of Merger. Subject to and in accordance with the provisions of this Agreement, articles of merger complying with Section 11.05 of the BCA (the "Articles of

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Merger") shall be executed by the Constituent Corporations and delivered to the Secretary of State of the State of New Hampshire for filing, as provided in Section 11.05 of the BCA.

ss.1.3. Merger Time. The Merger shall become effective upon the filing of the Articles of Merger by the Secretary of State of the State of New Hampshire (the effective time of the Merger being herein called the "Merger Time"). At the Merger Time, the separate existence of E&H shall cease and E&H shall be merged with and into CECo, which shall continue its corporate existence as the surviving corporation (CECo, as the surviving corporation, being sometimes referred to herein as the "Surviving Corporation"). CECo, as the Surviving Corporation, shall succeed, without other transfer, to all the rights and property of E&H and shall be subject to all the debts and liabilities of E&H in the same manner as if CECo had itself incurred them. All rights of creditors and all liens upon the property of each of CECo and E&H shall be preserved unimpaired.

ss.1.4. Appropriate Actions. Prior to, at and after the Merger Time, CECo and E&H, respectively, shall take all such actions as may be necessary or appropriate in order to effectuate the Merger. In case at any time after the Merger Time any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full title to all properties, assets, privileges, rights, immunities and franchises of either of the Constituent Corporations, the officers and directors of each of the Constituent Corporations as of the Merger Time shall take all such further action.

ARTICLE 2
TERMS OF CONVERSION AND EXCHANGE OF SHARES

ss.2.1. Conversion and Exchange. At the Merger Time,

(a) each share of CECo Common Stock issued and outstanding immediately prior to the Merger shall remain issued and outstanding;

(b) each share of CECo Non-Cumulative Preferred Stock issued and outstanding immediately prior to the Merger, the holder of which does not perfect dissenters' rights in accordance with Sections 13.21 and 13.23 of

the BCA, shall remain issued and outstanding;

(c) each share of CECO Cumulative Preferred Stock issued and outstanding immediately prior to the Merger shall remain issued and outstanding;

(d) all of the shares of E&H Common Stock issued and outstanding immediately prior to the Merger shall, without further action on the part of anyone, be converted into one share, in the aggregate, of CECO Common Stock;

(e) each share of E&H 5% Series issued and outstanding immediately prior to the Merger, the holder of which does not perfect dissenters' rights in accordance with Sections 13.21 and 13.23 of the BCA, shall, without further action on the part of anyone,

be converted into one share of a new series of CECO Cumulative Preferred Stock to be designated the "5% Series";

(f) each share of E&H 6% Dividend issued and outstanding immediately prior to the Merger, the holder of which does not perfect dissenters' rights in accordance with Sections 13.21 and 13.23 of the BCA, shall, without further action on the part of anyone, be converted into one share of a new series of CECO Cumulative Preferred Stock to be designated the "6% Series";

(g) each share of E&H 8.75% Series issued and outstanding immediately prior to the Merger, the holder of which does not perfect dissenters' rights in accordance with Sections 13.21 and 13.23 of the BCA, shall, without further action on the part of anyone, be converted into one share of a new series of CECO Cumulative Preferred Stock to be designated the "8.75% Series"; and

(h) each share of E&H 8.25% Series issued and outstanding immediately prior to the Merger, the holder of which does not perfect dissenters' rights in accordance with Sections 13.21 and 13.23 of the BCA, shall, without further action on the part of anyone, be converted into one share of a new series of CECO Cumulative Preferred Stock to be designated the "8.25% Series".

ss.2.2. Dissenters' Rights. The Surviving Corporation shall make all payments required in accordance with the BCA to shareholders of either of the Constituent Corporations who perfect dissenters' rights in accordance with Sections 13.21 and 13.23 of the BCA.

ARTICLE 3
ARTICLES OF INCORPORATION AND BYLAWS

ss.3.1. CECO's Articles of Incorporation. From and after the Merger Time, and until thereafter amended as provided by law, the Articles of Incorporation of CECO, as hereby amended in accordance with ss.3.2 hereof, shall be and continue to be the Articles of Incorporation of the Surviving Corporation.

ss.3.2. Amendments to CECO's Articles of Incorporation. At the Merger Time, the Articles of Incorporation of CECO shall be amended as follows:

(a) Amendment to Article I. Article I of CECO's Articles of Incorporation shall be amended by deleting the current text thereof in its entirety, and substituting therefor the following:

Article I

The name of the Company shall be Unitil Energy Systems, Inc. and its principal place of business shall be located in Concord in the County of Merrimack in the State of New Hampshire, but the Company may carry on any portion of its business at other

places, either within or without the State of New Hampshire, subject, however, to the laws of said State.

(b) Amendment to Article I-A. Article I-A of CECO's Articles of Incorporation shall be amended by deleting subdivision 12 thereof in its entirety, and substituting therefor the following new subdivisions 12 through 15:

12. The second series of the Cumulative Preferred Stock shall consist of 840 shares of Cumulative Preferred Stock, 5% Series, \$100 par value, for which the annual dividend rate is fixed at 5%. In the event of any voluntary liquidation, dissolution, or winding up of the affairs of the corporation, or upon any redemption and retirement of the whole or any part of the Cumulative Preferred Stock, 5% Series, the premium fixed for the Cumulative Preferred Stock, 5% Series shall be \$2.00 per share.

13. The third series of the Cumulative Preferred Stock shall consist of 1,680 shares of Cumulative Preferred Stock, 6% Series, \$100 par value, for which the annual dividend rate is fixed at 6%. In the event of any voluntary liquidation, dissolution, or winding up of the affairs of the corporation, or upon any redemption and retirement of the whole or any part of the Cumulative Preferred Stock, 6% Series, the premium fixed for the Cumulative Preferred Stock, 6% Series shall be \$3.00 per share.

14. The fourth series of the Cumulative Preferred Stock shall consist of 3,331 shares of Cumulative Preferred Stock, 8.75% Series, \$100 par value, for which the annual dividend rate is fixed at 8.75%. In the event of any voluntary liquidation, dissolution, or winding up of the affairs of the corporation, or upon any redemption and retirement of the whole or any part of the Cumulative Preferred Stock, 8.75% Series, there shall be no premium.

15. The fifth series of the Cumulative Preferred Stock shall consist of 3,853 shares of Cumulative Preferred Stock, 8.25% Series, \$100 par value, for which the annual dividend rate is fixed at 8.25%. In the event of any voluntary liquidation, dissolution, or winding up of the affairs of the corporation, or upon any redemption and retirement of the whole or any part of the Cumulative Preferred Stock, 8.25% Series, there shall be no premium.

ss.3.3. CECO's Bylaws. From and after the Merger Time, and until thereafter amended as provided by law, the Bylaws of CECO as in effect immediately prior to the Merger shall be and continue to be the Bylaws of the Surviving Corporation.

ARTICLE 4
DIRECTORS AND OFFICERS

ss.4.1. CECO's Directors and Officers. The persons who are directors and officers of CECO immediately prior to the Merger shall continue as directors and officers, respectively, of the Surviving Corporation and shall continue to hold office as provided in the Bylaws of the Surviving Corporation. If, at or following the Merger Time, a vacancy shall exist in the Board of Directors or in the position of any officer of the Surviving Corporation, such vacancy may be filled in the manner provided in the Bylaws of the Surviving Corporation.

ARTICLE 5
CONDITIONS TO THE MERGER

Completion of the Merger is subject to the satisfaction of the following conditions:

ss.5.1. Shareholder Approval. The principal terms of this Agreement and the transactions provided for herein shall have been approved by holders of capital stock of each of the Constituent Corporations as and to the extent required by their respective organizational documents and the BCA.

ss.5.2. Regulatory Approvals. All authorizations by and approvals of any governmental or public authority or agency deemed necessary or advisable by the Board of Directors of CECO in connection with the Merger and other related transactions shall have been obtained, shall be in full force and effect, shall not have been revoked and shall be legally sufficient to authorize the transactions contemplated by this Agreement.

ARTICLE 6
AMENDMENT AND TERMINATION

ss.6.1. Amendment. The parties to this Agreement, by mutual consent of their respective Boards of Directors, may amend, modify or supplement this Agreement in such manner as may be agreed upon by them in writing at any time before or after approval of this Agreement by the shareholders of the Constituent Parties; provided, however, that no such amendment, modification or supplement shall, if agreed to after such approval by the pre-Merger shareholders of the Constituent Parties, change any of the principal terms of this Agreement without further approval of such shareholders.

ss.6.2. Termination. This Agreement may be terminated and the Merger and other transactions provided for by this Agreement may be abandoned at any time by the mutual written consent of the parties hereto.

ARTICLE 7
MISCELLANEOUS

ss.7.1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Hampshire.

IN WITNESS WHEREOF, CECO and E&H have each caused this Agreement to be executed by its respective officer thereunto duly authorized as of the date first written above.

EXETER & HAMPTON ELECTRIC COMPANY

CONCORD ELECTRIC COMPANY

By: _____

By: _____

Name:
Title:

Name:
Title:

MEMORANDUM

To: The Holders of Exeter & Hampton Electric Company
Cumulative Preferred Stock, ___% Dividend Series

Re: Consent to Agreement and Plan of Merger

Date: [], 2002

Attached to this Memorandum please find a Unanimous Written Consent of the Cumulative Preferred Stock, ___% Dividend Series (the "___% Preferred"), of Exeter & Hampton Electric Company, a New Hampshire corporation (the "Company"), with respect to a proposed Agreement and Plan of Merger dated as of _____, 2002 (the "Merger Agreement") between the Company and Concord Electric Company, a New Hampshire corporation ("CECo"), pursuant to which the Company will be merged with and into CECo. The Merger Agreement has been executed by each of the Company and CECo and approved by their respective boards of directors. A copy of the Merger Agreement is included herewith.

Pursuant to the Merger Agreement, upon consummation of the Merger (as defined therein) the holders of the ___% Preferred will receive a number of shares of a new series of CECo Cumulative Preferred Stock equal to the number of shares of ___% Preferred owned by them. The new series of CECo Cumulative Preferred Stock will have essentially the same terms and conditions as the ___% Preferred, and will in any event be identical to the ___% Preferred in all material respects. Each other series of Company Cumulative Preferred Stock will similarly be exchanged for a new series of CECo Cumulative Preferred Stock having terms and conditions identical in all material respects to their existing terms and conditions. CECo currently has 2,150 shares of an 8.7% Series of Cumulative Preferred Stock outstanding.

As you know, all of the Common Stock of both the Company and CECo is owned of record and beneficially by Unital Corporation, and therefore the vote of the holders of Common Stock of both companies in favor of the Merger is assured. The holders of CECo Non-Cumulative Preferred Stock and Cumulative Preferred Stock do not have the right to vote as separate classes on the Merger.

However, the holders of each series of Company Cumulative Preferred Stock, including the ___% Series held by you, do have the right to vote as a separate class. Accordingly, the Company is seeking the unanimous written consent of the holders of the ___% Preferred Stock to the Merger, and therefore requests that you execute the enclosed Consent and return it to the Company as soon as possible.

Please be advised that the Company may elect to redeem any shares of ___% Preferred Stock that are held by any person who refuses or neglects to execute the Consent requested hereby.

EXETER & HAMPTON ELECTRIC COMPANY

UNANIMOUS WRITTEN CONSENT IN LIEU OF A MEETING

The undersigned, being the holders of all of the issued and outstanding shares of Cumulative Preferred Stock, ___% Dividend Series, of Exeter & Hampton Electric Company, a New Hampshire corporation (the "Corporation"), do hereby consent to the adoption of the following resolutions with the same force and effect as if duly adopted at a meeting duly called and held for the purpose:

RESOLVED: That the Agreement and Plan of Merger (the "Merger Agreement") by and between the Corporation and Concord Electric Company, a New Hampshire corporation ("CECo"), substantially in the form appended to this Consent, pursuant to which the Corporation will be merged with and into CECo on the terms and conditions set forth therein, and all of the transactions contemplated thereby including, without limitation, the exchange for shares of the Corporation's Cumulative Preferred Stock, ___% Dividend Series, of a new series of CECo Cumulative Preferred Stock as more fully described in the Merger Agreement, are hereby approved and adopted in all respects.

EXECUTED as of the ___ day of _____, 2002.

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

CONCORD ELECTRIC COMPANY)
EXETER & HAMPTON ELECTRIC COMPANY)

) DOCKET NO. DE 01-247
)
)

PETITION FOR APPROVAL
OF AN OFFER OF SETTLEMENT FOR
RESTRUCTURING THE
UNITIL COMPANIES

Now come Concord Electric Company ("CECo"), Exeter & Hampton Electric Company ("E&H"), and Unutil Power Corp. ("UPC") (collectively "Unitil" or "the Unitil Companies") and seek the approval of the New Hampshire Public Utilities Commission ("Commission") of the Settlement Agreement for Restructuring ("the Settlement") attached hereto. The Settlement is intended to implement the provisions of RSA 374-F et seq. for Unitil, and to resolve all issues outstanding with respect to Unitil from the electric restructuring proceeding in DR 96-150 and the resulting litigation in federal court. In support of its Petition, Unitil states the following:

The Parties

1. CECo is a New Hampshire corporation and public utility primarily engaged in the retail sale and distribution of electricity in Concord and the capital region of New Hampshire.

2. E&H is a New Hampshire corporation and public utility primarily engaged in the retail sale and distribution of electricity in Exeter and the seacoast region of New Hampshire.

3. UPC is a New Hampshire corporation and public utility primarily engaged in the purchase and resale of electricity to CECo and E&H under rates filed with and approved by the Federal Energy Regulatory Commission ("FERC").

4. CECo, E&H and UPC are wholly owned subsidiaries of Unitil Corporation, a registered public utility holding company under the Public Utility Holding Company Act of 1935 ("PUCHA"), which was formed by CECo and E&H in 1984. That corporate reorganization and formation of Unitil was approved by the Commission in 1984. Re Concord Electric Company, 69 NHPUC 701, 706 (1984).

5. As part of its restructuring proposal, Unitil is requesting authorization to combine CECo, E&H and the remaining utility functions of UPC into one New Hampshire public utility, Unutil Energy Systems, Inc. ("UES") which would be subject to the primary jurisdiction of the Commission.

Background

6. In 1984, CECo and E&H terminated their all-requirements power supply contract with Public Service Company of New Hampshire ("PSNH") and determined that the lowest cost service could be obtained from their affiliate, UPC. Unutil Serv. Corp., 72 NHPUC, 467, 469-470 (1987). In 1986, CECo and E&H entered into the Unitil System Agreement ("the System Agreement") with UPC, a long-term power supply arrangement under which UPC provides a portfolio of supplies that relied on the emerging competitive wholesale market. Id. at 468.

7. The System Agreement was filed with, and approved by, the FERC as a rate tariff under the Federal Power Act. Unutil Power Corp., ER86-559-001 and 002, 40 FERCP. 61,083, p. 61,230 (CCH 1987). The Commission also approved the System Agreement in 1987 as a permanent tariff, and found that CECo and E&H acted reasonably in entering into the System

Agreement and that UPC had succeeded in arranging a diverse power supply for CECO and E&H. Unitil Serv. Corp., 72 NHPUC at 471.

8. Under the System Agreement, UPC has provided all of the power supply requirements of CECO and E&H, at cost, from the wholesale market under a self-reconciling formula rate designed to match total revenues with total costs for supply. The rate is designed to allow UPC to recover all of its costs from CECO and E&H, including its administrative and general costs. Id. Management services are, in turn, purchased by UPC from another Unitil affiliate, Unitil Service Corp. ("USC"), at cost under a Service Agreement entered into pursuant to PUCHA and the regulations of the Securities and Exchange Commission. Concord Elec. Co., 69 NHPUC at 703.

9. Pursuant to RSA 378:37 et seq. and orders of the Commission, UPC submitted five resource plans between 1989 and 1996 detailing its power purchase guidelines and strategies, which plans were subject to the review and approval of the Commission. See e.g., Unitil Serv. Corp., 74 NHPUC 357, 365-66 (1989). UPC's power supply portfolio has provided significant benefits to CECO's and E&H's customers. See Unitil Interim Stranded Cost Order, Report and Order No. 22,510, 82 NHPUC 87, 91 (February 28, 1997) ("Unitil ISC Order"). In 1997, the Commission found that CECO's and E&H's rates were well below the regional average and they continue to be among the lowest in the region today. Id. at 89; Gantz Testimony, Sch. GRG-1 through 4.

10. In 1996, the New Hampshire Legislature enacted RSA 374-F, which authorizes and directs the Commission to develop a statewide electric utility restructuring plan to implement retail competition for the supply of electric power in New Hampshire. See RSA 374-F:4.

11. On February 28, 1997, the Commission released its Final Plan for restructuring of the electric industry and its order on Unitil's request for interim stranded cost recovery. See, Order No. 22,514, 82 NHPUC 122 (February 28, 1997) (encompassing the Commission's Final Plan, Legal Analysis and Unitil ISC Order). In March, 1997, Unitil intervened as a plaintiff in a federal court suit brought by PSNH seeking declaratory and injunctive relief from certain findings and directives included in the Commission's Final Plan. PSNH v. Patch et al, C.A. No. 97-97-JD (NH); C.A. No. 97-121L (RI). The federal district court granted the plaintiff's motion for injunctive relief, which injunction remains in place as to the Unitil Companies.

12. In 1998, Unitil and twelve other parties submitted to the Commission a Restructuring Settlement intended to resolve all of the issues in DR 96-150 and the pending federal litigation pertaining to Unitil. See Restructuring Settlement Agreement, Order No. 23,507, DR 98-154 (June 12, 2000). The Commission approved the Settlement contingent upon several conditions that were not acceptable to the parties and the Settlement was withdrawn. Id.

13. Over the past 18 months, Unitil has engaged in discussions with interested parties regarding a proposal for settlement. In July, 2002, at a status conference on the pending federal court litigation, Unitil and the Commission jointly requested that the district court take no action on the parties' cross motions for dismissal and summary judgment in order to allow for continued exploration of a settlement proposal.

The Settlement Agreement

14. As detailed in the Settlement and accompanying testimony, Unitil is proposing a comprehensive restructuring intended to meet the requirements of RSA 374-F, provide its customers with retail choice, resolve all of the contested issues in DR 96-150 and the resulting

litigation, and combine CECO, E&H and the remaining utility functions of UPC into one distribution company subject to the jurisdiction of this Commission.

15. Under the Settlement, UPC has agreed to amend the existing Unitil System Agreement and conduct an auction to divest its power supply portfolio. The Amended Unitil System Agreement and divestiture would provide for mitigation of costs, market valuation of the portfolio and the establishment of the net, verifiable stranded costs to be recovered from retail customers. Simultaneous with this divestiture process, Unitil would conduct a solicitation for the acquisition of transition service and default service for retail customers. Unitil seeks expedited approval of the procedures and requests for proposals related to the divestiture and acquisition of transition/default service, in order to conclude these transactions and allow for review by the Commission prior to issuance of a final order in this proceeding.

16. Unitil also proposes to optimize its New Hampshire operations by combining CECO, E&H and any remaining utility functions of UPC into a single distribution utility, UES, whose retail rates will be subject to the exclusive jurisdiction of the Commission.

17. To allow for the Commission's complete review of the restructuring proposal, Unitil has also filed for approval of new rates for all its New Hampshire retail customers under UES Tariff No. 1, including all materials required to demonstrate that the proposed rates are just and reasonable based upon an historical test year. These rates include unbundled components for retail delivery charges, transmission charges, stranded cost recovery, as well as transition service. Customers would also have the option of foregoing transition service and choosing to purchase electricity from the competitive market. While the restructuring will result in changes to the various rate components for retail customers, Unitil's overall rates would continue to be among the lowest in the region.

18. Unitil seeks the following specific authorizations from the Commission.

a) Expedited approval within 60 days of this filing of the divestiture process to be deployed in the auction and sale of UPC's resource portfolio ("the Divestiture Process") and the solicitation process for acquiring Transition and Default Service ("the Solicitation Process") in order to complete the auction and solicitation process by August, 2002. (See Testimony of Foote, Eberlein and Gantz);

b) Approval of the Amended Unitil System Agreement between UPC, CECO and E&H intended to facilitate the divestiture of the UPC resource portfolio and the recovery of UPC's costs associated with its contractual commitments entered into on behalf of CECO and E&H. (See Testimony of Gantz and Asbury);

c) Approval of the combination of CECO, E&H and the remaining functions of UPC into UES, the related transfer of all existing franchises, rights, works and systems of CECO and E&H, and the transfer of \$525,000 of common equity capital from UPC to UES, pursuant to RSA 374:33, 374:30 and 369:1. (See Testimony of Gantz and Quinn);

d) Approval of existing retail delivery rates and tariffs of UES, including Terms and Conditions for Distribution Service and Terms and Conditions for Competitive Suppliers, for effect on Choice Date in accordance with this Settlement. (See Testimony of Collin, Debski, Asbury and Stewart);

e) Approval of the actual transactions resulting from the Divestiture Process and the Solicitation Process for implementation by the Divestiture Date. (See Testimony of Foote and Eberlein);

f) Approval of stranded cost recovery charges to be collected from UES customers as proposed pursuant to the Amended Unitil System Agreement, including approval of a reconciliation mechanism. (See Testimony of Asbury);

g) Approval of the Transition Service and prices to be effective from the Divestiture Date through October 31, 2005. (See Testimony of Gantz, Foote, and Asbury); and

h) Approval of the reclassification of Unitil's transmission and distribution plant. (See Testimony of Meissner).

Standard of Review

19. Under New Hampshire law, and as a matter of public policy, settlements are favored as a means of facilitating the resolution of issues and the disposition of proceedings. See RSA 541-A:31(V); N.H. Code Admin. R. PUC 203.05 and 203.09. The Commission may approve a settlement where it finds that the result is "just and reasonable and serves the public interest." N.H. Code Admin. R. PUC 203.09(a).

20. Under RSA 374-F, the Commission is specifically authorized to review and approve electric utility restructuring plans based upon a finding that such a filing is substantially consistent with the restructuring policy principles established by RSA 374-F:3 and is in the public interest. As to stranded cost recovery, the Commission is required to balance the interest of ratepayers and utilities, and is authorized to approve a stranded cost recovery charge that is equitable, appropriate and balanced. RSA 374-F:3(XII)(a) and 374-F:4(V). Stranded cost charges should be nondiscriminatory, nonbypassable, fair to all customer classes, lawful, constitutional, limited in duration and consistent with the promotion of fully competitive markets. RSA 374-F:3(XII)(d). RSA 374 also requires that transition service be competitively

procured and designed to produce increasing prices in order "to encourage customers to choose a competitive electricity supplier during the transition period." 374-F:3(V)(B).

21. The Commission has interpreted the various legislative mandates as not only authorization, but "strong encouragement", to consider all settlements presented in restructuring matters. Re PSNH Proposed Restructuring Settlement, DE 99-099, Order No. 23, 433, 200 PUR 4th 373, 450 (N.H. Pub. Util. Comm'n, April 19, 2000). An adjudicated settlement is a "constitutionally permissible means of resolving the issues raised by [a] Settlement[]." Id. In other restructuring proceedings, the Commission recognized that the benefits of a settlement include the termination of litigation and the resulting uncertainty, and the commencement of competition, and the resolution of other outstanding issues. A restructuring settlement may provide a functioning "risk-sharing mechanism" as required by RSA 369-A:1, X(e), and may enable customers to enjoy future reductions in stranded cost.

Conclusion

The proposed Settlement will provide benefits to Unitil's customers and the State, and is consistent with the goals and requirements established in RSA 374-F. The Settlement provides for:

- o Retail access and customer choice by November 1, 2002;
- o Divestiture of UPC's resource portfolio and amendment of the Unitil System Agreement;
- o Enhanced competition through the procurement of market-based transition service with escalating prices;
- o Final resolution of Unitil's stranded costs in a manner which is equitable, balanced, appropriate and in the public interest;
- o Combination of all of Unitil's New Hampshire utility operations into one company subject to the exclusive retail rate jurisdiction of the Commission;

- o Near term rate relief through continuation of Unitil's low rates to be established based upon current cost information;
- o Universal service, including transition and default service, and
- o Termination of Unitil's participation in the ongoing federal court suit challenging the orders in DR 96-150.

WHEREFORE for all the reasons set forth in this Petition and the accompanying testimony and information, Concord Electric Company, Exeter & Hampton Electric Company and Unitil Power Corp. respectfully request that the New Hampshire Public Utilities Commission grant its approval of the terms of the Settlement filed this date, and provide all such other relief as it may deem just and reasonable.

Respectfully submitted,

CONCORD ELECTRIC COMPANY
EXETER & HAMPTON ELECTRIC COMPANY
UNITIL POWER CORP.
By their Attorneys,

/s/ Scott J. Mueller
Meabh Purcell
Patricia M. French
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
260 Franklin Street, 23rd Floor
Boston, MA 02110
(617) 439-9500
(617) 439-0341

Dated: January 25, 2002

Proposed Form Of Notice

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-_____)

Filings under the Public Utility Holding Company Act of 1935, as amended ("Act")

_____, 2002

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference. Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by __, 2002 to the Secretary, Securities and Exchange Commission, 450 5th Street, N.W., Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) as specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After __, 2002, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

* * *

Unitil Corporation et al (70-_____)

Two of its wholly-owned utility subsidiary companies, Concord Electric Company ("CECO"), One McGuire Street, Concord, NH 03301, and Exeter & Hampton Electric Company ("E&H"), 114 Drinkwater Road, Kensington, NH 03833, each a public utility subsidiary of Unitil (collectively, "Applicants"), of Unitil Corporation ("Unitil"), a registered holding company headquartered at 6 Liberty Lane West, Hampton, N.H. 03842, have filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12 of the Act and rules 43, 44, 45, 54, and 62 under the Act.

Applicants propose to merge E&H into CECO ("Merger"), with CECO surviving the Merger and changing its name to Unitil Energy Systems, Inc ("UES"). The Merger is one of the elements of the Unitil restructuring proposal before the New Hampshire Public Utilities Commission ("NHPUC"), which was adopted pursuant to and as required by the New Hampshire Electricity Restructuring Law, codified at RSA 374-F. Unitil's restructuring proposal contains four principal elements: (1) the Merger which will create a single distribution company for the

Unitil system in the state of New Hampshire; (2) investiture of the power supply portfolio of Unitil Power Corp., Unitil's power supply subsidiary, and the solicitation and acquisition by UES of replacement sources of energy necessary for it to meet its obligation to provide transition service and default service to its retail customers; (3) implementation by UES of new unbundled rates to be approved by the NHPUC that reflect the Merger and implement the restructuring requirements of New Hampshire RSA374-F; and (4) introduction of customer choice for UES's New Hampshire customers on May 1, 2003. Applicants also propose to amend and combine the existing CECO and E&H indentures into a single indenture of UES, and also seek to revise the existing money pool authorization to reflect the Merger.

Applicants state that the Merger will simplify Unitil's corporate structure, facilitate state regulation, allow UES to have a single, unified rate structure and rate base and reduce corporate and administrative expenses.

CECO is a public utility company within the meaning of the Act. CECO is engaged in the transmission and distribution of electric energy at regulated rates to approximately 28,000 customers in Concord and the capital region of New Hampshire. CECO is regulated as a public utility in New Hampshire.

Like CECO, E&H is a public utility company within the meaning of the Act. E&H is engaged in the transmission and distribution of electric energy at regulated rates to approximately 41,000 customers in Exeter and the seacoast region of New Hampshire. E&H is regulated as a public utility by the NHPUC.

Applicants propose to solicit consents from the holders of outstanding shares of E&H preferred stock with respect to their vote on the proposed Merger, and from bondholders under CECO's and E&H's existing indentures in connection with the amendment and combination of these indentures.

The Merger will be governed by the Agreement and Plan of Merger ("Merger Agreement"), as amended, between CECO and E&H. Pursuant to the Merger Agreement, upon the effectiveness of the Merger, all of the issued and outstanding shares of E&H common stock will be converted into a single share of

CECo common stock, and each share of E&H cumulative preferred stock will be converted into a share of a new series of new preferred stock of UES (the "New Preferred stock"), each such new series to have the same terms and conditions as the existing series of the E&H Cumulative Preferred Stock for which they will be exchanged. The shares of CECo capital stock issued and outstanding immediately prior to the merger will remain outstanding and will not be affected by the Merger.

The Merger Agreement and the transactions contemplated thereby are subject to the approval of the boards of directors of each of CECo and E&H. In addition, the Merger Agreement and related amendments to CECo's Articles of Incorporation are subject to the approval of the holders of the CECo common stock and the CECo non-cumulative preferred stock, voting together as a single class, and the Merger is subject to the approval of the E&H common stock and each series of the E&H cumulative preferred stock, each voting as a separate class. Because Unitil effectively controls the boards of directors of each of E&H and CECo, the approval of the Merger Agreement and related amendments to CECo's Articles of Incorporation

by those boards of directors is assured. The approval of the holders of the CECO common stock and the CECO non-cumulative preferred stock of the Merger Agreement is also assured, since Unitil controls the vote of more than 99% of all such shares. The approval of the Merger Agreement by the holders of the E&H common stock is also assured, since Unitil controls the vote of all of such shares. The Merger is also subject to the approval of the NHPUC and the FERC.

After the Merger, the surviving entity will be a wholly owned subsidiary of Unitil and will be renamed Unitil Energy Services, Inc., pending approval by stockholders, and will continue to serve CECO's and E&H's customers and will operate as an electric and gas utility company in New Hampshire. It is stated that on a pro forma basis, as of June 30, 2002, the ratio of UES' common stock to total capitalization, is 35%.

In addition Applicants seek authorization for UES to make loans through the Unitil system money pool to Fitchburg Gas and Electric Light Company ("Fitchburg") on the same terms as CECO's and E&H's current authorization. See Holding Co. Act Release Nos. 70-26737 (June 30, 1997); 70-27182 (June 9, 2000); 70-27307 (Dec, 15, 2000) and 70-27345 (Feb. 14, 2001). Participation in the money pool, including short-term debt borrowings, by CECO and E&H are authorized by the New Hampshire Public Utility Commission, and therefore exempt under Rule 52. However, borrowings by and loans to Unitil's other utility subsidiary, Fitchburg, are not exempt. All other terms, conditions and limitations under the money pool orders will continue to apply without change

Applicants request that an order authorizing the solicitation of consents from the E&H cumulative preferred stock and the bondholders under the CECO and E&H indentures be issued as soon as practicable under rule 62(d). It appears to the Commission that the application-declaration relating to the proposed solicitation of proxies should be permitted to become effective immediately under rule 62(d).

Unitil states that since (i) neither Unitil nor any subsidiary thereof presently has, or as a consequence of the proposed transactions will have, an interest in any exempt wholesale generator ("EWG") or foreign utility company ("FUCO"), as those terms are defined in Sections 32 and 33 of the Act, respectively, (ii) none of the proceeds from the proposed transactions will be used to acquire any securities of, or any interest in, an EWG or FUCO and (iii) neither Unitil nor any of the subsidiaries is, or as a consequence of the proposed transactions will become, a party to, and such entities do not and will not have any rights under, a service, sales or construction contract with any affiliated EWGs or FUCOs except in accordance with the rules and regulations promulgated by the Commission with respect thereto, all applicable requirements of Rule 53(a)-(c) under the Act are satisfied as required by Rule 54 under the Act., for purposes of rule 54, that the conditions specified in rule 53(a) are satisfied and that none of the adverse conditions specified in rule 53(b) exist.

Fees, commissions, and expenses to be incurred in connection with the transactions described in the application-declaration are expected not to exceed \$ 1 million.

IT IS ORDERED, under rule 62 under the Act, that the application-declaration regarding the proposed consent solicitations become effective immediately, subject to the terms and conditions contained in rule 24 under the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

CONCORD ELECTRIC COMPANY
CONDENSED STATEMENTS OF EARNINGS
(000's Except Common Shares and Per Share Data)
(UNAUDITED)

Twelve Months Ended June 30,	2002		2001	
Operating Revenues	\$	52,263	\$	54,954
Operating Expenses:				
Purchased Power		40,946		43,807
Operating Expenses, Other		3,084		3,055
Maintenance		599		632
Depreciation and Amortization		2,056		1,755
Provisions for Taxes:				
Local Property and Other		1,168		1,393
Federal and State Income		888		762
Total Operating Expense		48,741		51,404
Operating Income		3,522		3,550
Non-operating (Income) Expense		36		60
Income Before Interest Expense		3,486		3,490
Interest Expense, Net		1,838		1,629
Net Income		1,648		1,861
Less Dividends on Preferred Stock		32		32
Net Income Applicable to Common Stock	\$	1,616	\$	1,829
Average Common Shares Outstanding		131,745		131,745
Earnings per Common Share		\$12.27		\$13.89
Dividends Declared per share of Common Stock		\$8.73		\$6.50

CONCORD ELECTRIC COMPANY
CONDENSED BALANCE SHEETS (000's)

ASSETS:	(UNAUDITED) June 30,			
	2002		2001	
Utility Plant	\$	54,802	\$	52,699
Less: Accumulated Depreciation		17,385		16,680
Net Utility Plant		37,417		36,019
Other Property and Investments		24		24
Current Assets:				
Cash		275		2,624
Accounts Receivable -- Less Allowance for Doubtful Accounts of \$44, \$65 and \$68		3,455		5,141
Due from Affiliates		70		14
Materials and Supplies		269		351
Prepayments		340		299
Accrued Revenue		(224)		125
Total Current Assets		4,185		8,554
Noncurrent Assets:				
Regulatory Assets		5,494		5,850
Debt Issuance Costs		542		528

Prepaid Pension Costs	3,654	3,379
Other Noncurrent Assets	974	225
	-----	-----
Total Noncurrent Assets	10,664	9,982
	-----	-----
TOTAL	\$ 52,290	\$ 54,579
	=====	=====

CONCORD ELECTRIC COMPANY
CONDENSED BALANCE SHEETS

(000's Except Par Value and Stock Shares Data)

CAPITALIZATION AND LIABILITIES:	(UNAUDITED) June 30,	
	2002	2001
Capitalization:		
Common Stock Equity:		
Common Stock, No Par Value		
Authorized - 250,000 shares		
Outstanding - 131,745 shares	\$ 1,467	\$ 1,467
Miscellaneous Paid-in-Capital	1,250	1,250
Capital Stock Expense	(40)	(40)
Retained Earnings	11,144	10,678
	13,821	13,355
Non-Redeemable Preferred Stock:		
Non-Cumulative Preferred Stock, \$100 par value		
Authorized - 2,250 shares		
6% Series Outstanding - 2,250 shares	225	225
Redeemable Preferred Stock:		
Cumulative Preferred Stock, \$100 par value		
Authorized - 5,000 shares		
8.70% Series Outstanding - 2,150 shares	215	215
Long-term Debt, Less Current Portion	23,500	23,500
Total Capitalization	37,761	37,295
Current Liabilities:		
Short-Term Debt	172	0
Accounts Payable	40	52
Due to Affiliates	3,822	4,836
Dividends Declared and Payable	295	294
Refundable Customer Deposits	412	381
Taxes Payable (Refundable)	(290)	1,240
Interest Payable	264	264
Other Current Liabilities	254	248
Total Current Liabilities	4,969	7,315
Noncurrent Liabilities:		
Construction Advances	255	212
Other Noncurrent Liabilities	1,279	1,053
Total Noncurrent Liabilities	1,534	1,265
Deferred Income Taxes	8,026	8,704
TOTAL	\$ 52,290	\$ 54,579

EXETER & HAMPTON ELECTRIC COMPANY
CONDENSED STATEMENTS OF EARNINGS
(000's Except Common Shares and Per Share Data)
(UNAUDITED)

Twelve Months Ended June 30,	2002		2001	
Operating Revenues:	\$	58,053	\$	59,849
<hr style="border-top: 1px dashed black;"/>				
Operating Expenses:				
Purchased Power		46,272		48,356
Operating Expenses, Other		3,417		3,231
Maintenance		722		628
Depreciation and Amortization		2,580		2,216
Provisions for Taxes:				
Local Property and Other		946		1,462
Federal and State Income		633		556
<hr style="border-top: 1px dashed black;"/>				
Total Operating Expense		54,570		56,449
<hr style="border-top: 1px dashed black;"/>				
Operating Income		3,483		3,400
Non-operating Expense		34		49
<hr style="border-top: 1px dashed black;"/>				
Income Before Interest Expense		3,449		3,351
Interest Expense, Net		2,107		1,800
<hr style="border-top: 1px dashed black;"/>				
Net Income		1,342		1,551
Less Dividends on Preferred Stock		75		76
<hr style="border-top: 1px dashed black;"/>				
Net Income Applicable to Common Stock	\$	1,267	\$	1,475
<hr style="border-top: 3px double black;"/>				
Average Common Shares Outstanding		195,000		195,000
Earnings per Common Share	\$	6.50	\$	7.57
Dividends Declared per share of Common Stock	\$	4.65	\$	3.68

EXETER & HAMPTON ELECTRIC COMPANY
CONDENSED BALANCE SHEETS (000's)

ASSETS	(UNAUDITED)	
	June 30,	
	2002	2001
Utility Plant	\$ 67,742	\$ 64,161
Less: Accumulated Depreciation	24,521	23,495
Net Utility Plant	43,221	40,666
<hr style="border-top: 1px dashed black;"/>		
Other Property and Investments	1	1
<hr style="border-top: 1px dashed black;"/>		
Current Assets:		
Cash	204	1,937
Accounts Receivable - Less Allowance for Doubtful Accounts of \$59, \$66 and \$70	3,829	4,922
Due from Affiliates	89	97
Materials and Supplies	252	254
Prepayments	110	305
Accrued Revenue	180	455
<hr style="border-top: 1px dashed black;"/>		
Total Current Assets	4,664	7,970
<hr style="border-top: 1px dashed black;"/>		
Noncurrent Assets:		
Regulatory Assets	5,901	6,285
Debt Issuance Costs	454	447
Prepaid Pension Costs	4,600	4,370
Other Noncurrent Assets	916	603
<hr style="border-top: 1px dashed black;"/>		
Total Noncurrent Assets	11,871	11,705
<hr style="border-top: 1px dashed black;"/>		
TOTAL	\$ 59,757	\$ 60,342
<hr style="border-top: 3px double black;"/>		

EXETER & HAMPTON ELECTRIC COMPANY
CONDENSED BALANCE SHEETS
(000's Except Par Value and Stock Shares Data)

CAPITALIZATION AND LIABILITIES

(UNAUDITED)
June 30,

	2002	2001
<hr/>		
Capitalization:		
Common Stock Equity:		
Common Stock, \$5 par value:		
Authorized - 300,000 shares		
Outstanding - 195,000 shares	\$ 975	\$ 975
Premium on Common Stock	1,006	1,006
Miscellaneous Paid-In-Capital	1,250	1,250
Capital Stock Expense	(89)	(89)
Retained Earnings	11,448	11,088
	<hr/>	
Total Common Stock Equity	14,590	14,230
	<hr/>	
Redeemable Preferred Stock:		
Preferred Stock, \$100 par value		
Authorized - 25,000 shares		
5% Series Outstanding - 840, 910 and 910 shares	84	91
6% Series Outstanding - 1,680 shares	168	168
8.75% Series Outstanding - 3,331 shares	333	333
8.25% Series Outstanding - 3,853 shares	385	385
	<hr/>	
Total Redeemable Preferred Stock	970	977
	<hr/>	
Long-term Debt, Less Current Portion	26,500	26,500
	<hr/>	
Total Capitalization	42,060	41,707
	<hr/>	
Current Liabilities:		
Short-term Debt	1,378	-
Accounts Payable	37	49
Due to Affiliates	4,404	5,444
Dividends Declared and Payable	251	237
Refundable Customer Deposits	702	675
Taxes Payable (Refundable)	47	846
Interest Payable	317	317
Other Current Liabilities	136	187
	<hr/>	
Total Current Liabilities	7,272	7,755
	<hr/>	
Deferred Income Taxes	9,612	10,300
	<hr/>	
Noncurrent Liabilities:		
Unamortized Investment Tax Credit	4	38
Construction Advances	339	341
Other Noncurrent Liabilities	470	201
	<hr/>	
Total Noncurrent Liabilities	813	580
	<hr/>	
TOTAL	\$ 59,757	\$ 60,342
	<hr/> <hr/>	

Unitil Energy Systems, Inc.
CONDENSED BALANCE SHEETS (000's)
As of June 30, 2002
(UNAUDITED)

(000's Except Par Value and Stock Shares Data)

ASSETS:	Proforma Unitil Energy Systems, Inc. (UNAUDITED) June 30,		Exeter and Hampton Electric Company (UNAUDITED) June 30,		Concord Electric Company (UNAUDITED) June 30,	
	2002	2001	2002	2001	2002	2001
	-----	-----	-----	-----	-----	-----
Utility Plant	\$ 122,544	\$ 116,860	\$ 67,742	\$ 64,161	\$ 54,802	\$ 52,699
Less: Accumulated Depreciation	41,906	40,175	24,521	23,495	17,385	16,680
Net Utility Plant	80,638	76,685	43,221	40,666	37,417	36,019
Other Property and Investments	25	25	1	1	24	24
Current Assets:						
Cash	479	4,561	204	1,937	275	2,624
Accounts Receivable -- Less Allowance for Doubtful Accounts of \$103 and \$131.	7,284	10,063	3,829	4,922	3,455	5,141
Due from Affiliates	159	111	89	97	70	14
Materials and Supplies	521	605	252	254	269	351
Prepayments	450	604	110	305	340	299
Accrued Revenue	(44)	580	180	455	(224)	125
Total Current Assets	8,849	16,524	4,664	7,970	4,185	8,554
Noncurrent Assets:						
Regulatory Assets	11,395	12,135	5,901	6,285	5,494	5,850
Debt Issuance Costs	996	975	454	447	542	528
Prepaid Pension Costs	8,254	7,749	4,600	4,370	3,654	3,379
Other Noncurrent Assets	1,890	828	916	603	974	225
Total Noncurrent Assets	22,535	21,687	11,871	11,705	10,664	9,982
TOTAL	\$ 112,047	\$ 114,921	\$ 59,757	\$ 60,342	\$ 52,290	\$ 54,579

Unitil Energy Systems, Inc.
CONDENSED BALANCE SHEETS (000's)
As of June 30, 2002
(UNAUDITED)

(000's Except Par Value and Stock Shares Data)

CAPITALIZATION AND LIABILITIES:	Proforma Unitil Energy Systems, Inc. (UNAUDITED) June 30,		Exeter and Hampton Electric Company (UNAUDITED) June 30,		Concord Electric Company (UNAUDITED) June 30,	
	2002	2001	2002	2001	2002	2001
	-----	-----	-----	-----	-----	-----
Capitalization:						
Common Stock Equity:						
Common Stock, No Par Value						
Authorized - 550,000 shares						
Outstanding - 326,745 shares	\$ 2,442	\$ 2,442	\$ 975	\$ 975	\$ 1,467	\$ 1,467
Premium on Common Stock	1,006	1,006	1,006	1,006	0	0
Miscellaneous Paid-in-Capital	2,500	2,500	1,250	1,250	1,250	1,250
Capital Stock Expense	(129)	(129)	(89)	(89)	(40)	(40)
Retained Earnings	22,592	21,766	11,448	11,088	11,144	10,678
Total Common Stock Equity	28,411	27,585	14,590	14,230	13,821	13,355
Non-Redeemable Preferred Stock:						

Non-Cumulative Preferred Stock, \$100 par value Authorized - 2,250 shares 6% Series Outstanding - 2,250 shares	225	225	0	0	225	225

Redeemable Preferred Stock: Cumulative Preferred Stock, \$100 par value Authorized - 5,000 shares 8.70% Series Outstanding - 2,150 shares	215	215	0	0	215	215

Redeemable Preferred Stock: Cumulative Preferred Stock, \$100 par value Authorized - 25,000 shares 5% Series Outstanding - 840 and 910 shares 6% Series Outstanding - 1,680 shares 8.75% Series Outstanding - 3,331 shares 8.25% Series Outstanding - 3,853 shares	84	91	84	91	0	0
	168	168	168	168	0	0
	333	333	333	333	0	0
	385	385	385	385	0	0

Total Redeemable Preferred Stock	970	977	970	977	0	0

Long-term Debt, Less Current Portion	50,000	50,000	26,500	26,500	23,500	23,500

Total Capitalization	79,821	79,002	42,060	41,707	37,761	37,295

Current Liabilities:						
Short-Term Debt	1,550	0	1,378	0	172	0
Accounts Payable	77	101	37	49	40	52
Due to Affiliates	8,226	10,280	4,404	5,444	3,822	4,836
Dividends Declared and Payable	546	531	251	237	295	294
Refundable Customer Deposits	1,114	1,056	702	675	412	381
Taxes Payable (Refundable)	(243)	2,086	47	846	(290)	1,240
Interest Payable	581	581	317	317	264	264
Other Current Liabilities	390	435	136	187	254	248

Total Current Liabilities	12,241	15,070	7,272	7,755	4,969	7,315

Noncurrent Liabilities:						
Unamortized Investment Tax Credit	4	38	4	38		
Construction Advances	594	553	339	341	255	212
Other Noncurrent Liabilities	1,749	1,254	470	201	1,279	1,053

Total Noncurrent Liabilities	2,347	1,845	813	580	1,534	1,265

Deferred Income Taxes	17,638	19,004	9,612	10,300	8,026	8,704

TOTAL	\$ 112,047	\$ 114,921	\$ 59,757	\$ 60,342	\$ 52,290	\$ 54,579
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Unitil Energy Systems, Inc.
CONDENSED STATEMENTS OF EARNINGS
(000's Except Common Shares and Per Share Data)
(UNAUDITED)

	Proforma Unitil Energy Systems, Inc. Twelve Months Ended June 30,		Exeter and Hampton Electric Company Twelve Months Ended June 30,		Concord Electric Company Twelve Months Ended June 30,	
	2002	2001	2002	2001	2002	2001
Operating Revenues	\$ 110,316	\$ 114,803	\$ 58,053	\$ 59,849	\$ 52,263	\$ 54,954
Operating Expenses:						
Purchased Power	87,218	92,163	46,272	48,356	40,946	43,807
Operating Expenses, Other	6,501	6,286	3,417	3,231	3,084	3,055
Maintenance	1,321	1,260	722	628	599	632
Depreciation and Amortization	4,636	3,971	2,580	2,216	2,056	1,755
Provisions for Taxes:	-	-				
Local Property and Other	2,114	2,855	946	1,462	1,168	1,393
Federal and State Income	1,521	1,318	633	556	888	762
Total Operating Expense	103,311	107,853	54,570	56,449	48,741	51,404
Operating Income	7,005	6,950	3,483	3,400	3,522	3,550
Non-operating (Income) Expense	70	109	34	49	36	60
Income Before Interest Expense	6,935	6,841	3,449	3,351	3,486	3,490
Interest Expense, Net	3,945	3,429	2,107	1,800	1,838	1,629
Net Income	2,990	3,412	1,342	1,551	1,648	1,861
Less Dividends on Preferred Stock	107	108	75	76	32	32
Net Income Applicable to Common Stock	\$ 2,883	\$ 3,304	\$ 1,267	\$ 1,475	\$ 1,616	\$ 1,829
Average Common Shares Outstanding	326,745	326,745	195,000	195,000	131,745	131,745
Earnings per Common Share	\$8.82	\$10.11	\$6.50	\$7.57	\$12.27	\$13.89
Dividends Declared per share of Common Stock	\$6.30	\$4.82	\$4.65	\$3.68	\$8.73	\$6.50