SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1995
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-8858

UNITIL CORPORATION
(Exact name of registrant as specified in its charter)

New Hampshire	02-0381573
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
216 Epping Road, Exeter, New Hampshire	03833-4571
(Address of principal executive office	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, No Par Value	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K [X]

Based on the closing price of March 1, 1996, the aggregate market value of common stock held by non-affiliates of the registrant was $103,580,088.
The number of common shares outstanding of the registrant was 4,338,433 as of March 1, 1996.

Documents Incorporated by Reference:

Portions of the Proxy Statement relating to the Annual Meeting of Shareholders to be held April 18, 1996, are incorporated by reference into Part III of this Report.

UNITIL CORPORATION
FORM 10-K
For the Fiscal Year Ended December 31, 1995
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PART I

Item 1. Business.

General

Unitil Corporation (the Company), a registered public utility holding company, was incorporated under the laws of The State of New Hampshire on September 7, 1984. Through Concord Electric Company (CECo), Exeter & Hampton Electric Company (E&H), Fitchburg Gas and Electric Light Company (FG&E) and Unitil Power Corp. (Unitil Power), all of which are wholly owned utility subsidiaries of the Company, the Company's principal business is the purchase, transmission, distribution and sale of electricity at retail, and the distribution and sale of natural gas at retail by FG&E. The Company was initially incorporated in connection with a business combination between CECo and E&H, which became subsidiaries of the Company on January 23, 1985 through a share exchange. Prior to this share exchange, the Company conducted no business operations and had no assets. FG&E became a wholly owned subsidiary of the Company by a "pooling of interests" merger between FG&E and the Company on April 28, 1992. Unitil Power, a New Hampshire corporation incorporated on October 9 , 1984, is the wholesale supplier of electricity to CECo and E&H. The Company has three additional subsidiaries: Unitil Realty Corp. (Unitil Realty), Unitil Resources, Inc. (Unitil Resources) and Unitil Service Corp. (Unitil Service). The Company's principal executive office is located at 216 Epping Road, Exeter, New Hampshire 03833-4571. (Telephone (603) 772-0775)

CECo, a New Hampshire corporation incorporated in 1901, is engaged in the purchase, transmission, distribution and sale of electricity at retail to approximately 26,350 customers in the City of Concord, which is the state capital, and twelve surrounding towns, all in New Hampshire. CECo's service area consists of approximately 240 square miles in the Merrimack River Valley of south central New Hampshire. The service area includes the City of Concord and major portions of the surrounding towns of Bow, Boscawen, Canterbury, Chichester, Epsom, Salisbury and Webster, and limited areas in the towns of Allenstown, Dunbarton, Hopkinton, Loudon and Pembroke.

CECo serves residential, commercial and industrial customers. The State of New Hampshire's government operations are located within CECo's service area, including the executive, legislative, judicial branches and offices and facilities for all major state government services. In addition, CECo's service area is a retail trading center for the north central part of the state and has over sixty diversified businesses relating to insurance, printing, electronics, granite, belting, plastic yarns, furniture, machinery, sportswear and lumber. Of CECo's 1995 retail electric revenues, approximately 34% was derived from residential sales, 52% from commercial and non-manufacturing sales, 12% from industrial/manufacturing sales and 2% from other sales.

E&H, a New Hampshire corporation incorporated in 1908, is engaged in the purchase, transmission, distribution and sale of electricity at retail to approximately 37,120 customers in Exeter and in all or part of seventeen surrounding towns, all in New Hampshire. E&H's service area consists of approximately 168 square miles in southeastern New Hampshire. The service area includes all of the towns of Atkinson, Danville, East Kingston, Exeter, Hampton, Hampton Falls, Kensington, Kingston, Newton, Plaistow, Seabrook, South Hampton and Stratham, and portions of the towns of Derry, Brentwood, Greenland, Hampstead and North Hampton.

E&H serves residential, commercial and industrial customers. Commercial and industrial customers are quite diversified and include retail stores, shopping centers, motels, farms, restaurants, apple orchards and office buildings, as well as manufacturing firms engaged in the production of sportswear, automobile parts and electronic components. It is estimated that there are over 150,000 daily summer visitors to E&H's territory, which includes several popular resort areas and beaches along the Atlantic Ocean. Of E&H's 1995 retail electric revenues, approximately 47% was derived from residential sales, 41% from commercial and non-manufacturing sales, 10% from industrial/manufacturing sales and 2% from other sales.

FG&E, a Massachusetts corporation organized in 1852, is an operating public utility providing electric and natural gas service in the City of Fitchburg and several surrounding communities. FG&E's service area encompasses approximately 170 square miles in north central Massachusetts.

Electric service is supplied by FG&E to approximately 25,250 customers in the communities of Fitchburg, Ashby, Townsend and Lunenburg. FG&E provides electric service to residential, commercial, and industrial customers. FG&E's industrial customers include paper manufacturing and allied products companies, rubber and plastics manufacturers, chemical products companies and printing, publishing and allied industries. Of FG&E's 1995 electric revenues, approximately 36% was derived from residential sales, 35% from commercial and non-manufacturing sales, 28% from industrial/manufacturing sales and 1% from other sales.

Natural gas service is supplied by FG&E to approximately 15,000 customers in the communities of Fitchburg, Lunenburg, Townsend, Ashby, Gardner and Westminster, all located in Massachusetts. Of FG&E's 1995 gas operating revenues, approximately 52% was derived from residential sales, 24% from commercial sales, 11% from firm sales to industrial customers, and 13% from interruptible sales (which are sales to customers who possess alternative energy sources and who use gas on an as-available basis). Approximately 30% of FG&E's industrial gas revenue was derived from firm sales to paper manufacturing and allied products companies. The industrial gas revenue was derived from firm sales to fabricated metal products manufacturers, rubber and plastics manufacturers, primary iron manufacturers and other miscellaneous industries.

Natural gas sales in New England are seasonal, and the Company's results of operations reflect this seasonality. Accordingly, results of operations are typically positively impacted by gas operations during the five heating season months from November through March of the following year. Electric sales in New England are far less seasonal than natural gas sales; however, the highest usage typically occurs in the summer and winter months due to air conditioning and heating requirements, respectively.

Unitil Power, a New Hampshire corporation incorporated in 1984, is the full requirements wholesale supplier of electricity to CECo and E&H. (See Energy Requirements and Regulation and Rates.)

Unitil Realty, a New Hampshire corporation incorporated in 1986, was established to acquire real estate to support the growth and expansion of the Company's utility and energy related business. Unitil Realty, until February 1995, owned the Company's corporate headquarters and related land located on Epping Road in Exeter, New Hampshire. This property was taken by the State of New Hampshire, through eminent domain, for the planned expansion of Route 101. (See "Capital Requirements" under Item 1 of this report) UNITIL Realty did purchase land in Hampton, New Hampshire during 1995, on which it is currently constructing UNITIL's new corporate headquarters.

Unitil Resources, a New Hampshire corporation incorporated in 1993, provides consulting and other services on energy related matters to non-affiliates. These services include power brokering, financial, accounting, regulatory and related operational services.

Unitil Service, a New Hampshire corporation incorporated in 1984, supplies centralized professional and support services to the Unitil System of Companies.

Competition and Industry Restructuring

The current focus on restructuring the electric industry has been building in recent years due to a variety of economic, social, and political forces. They include legislative and regulatory changes, technological advances and consumer demands for lower prices.

Competition at the wholesale level has existed for a number of years, and has been increasing as a result of the passage of the Energy Policy Act of 1992, initiatives in transmission pricing and policy at the Federal Energy Regulatory Commission (FERC), and greater contracting activity among utility and non-utility suppliers. As a wholesale purchaser of electric energy for resale to customers, wholesale competition has provided the Company with many opportunities for achieving significant power supply savings for its customers. The focus of industry restructuring has now shifted to the retail electric market, however, where electricity is provided directly to the ultimate users.

For many utilities this shift from natural monopoly to open competition is causing dramatic changes in their traditional way of doing business. Increasing competition is moving the industry towards an unbundling of the traditional vertically integrated utility structure into separate generation, transmission and distribution activities. As the industry continues to unbundle into these separate functional areas, it is likely that the transmission and distribution of electricity will remain largely regulated as monopoly services, while the generation and sale of energy will shift to open competition.

For Unitil, preparation for and adaptation to a competitive environment has long been part of the Company's business strategy. Unitil has always been structured along functional business lines reflecting a separation of its core distribution operations from its market based energy acquisition and supply business. For over a decade Unitil has managed and delivered competitively priced, market based energy supplies to its customers, putting it "ahead of the curve" as many utilities are now just beginning to struggle to make this transition. As a result of this strategy, Unitil has a track record of offering reliable energy services at prices that are now among the lowest in our region. Further, as new competitive opportunities emerge, Unitil is designing new services and pricing its products to be the supplier of choice.

The Unitil Companies have received regulatory approval for the Company's Energy Bank(TM) program. Energy Bank(TM) is an innovative economic development program designed to bring low-cost energy to new and expanding industrial customers. With rates in the range of 5 cents/KWH, this program offers electric energy at a price that is equal to the national average industrial rate and is 40% below the current average industrial rate in New England. In addition to providing substantial benefits to new and expanding industrial customers in the form of very competitive market pricing, Energy Bank(TM) will also provide significant benefits to all the System's customers in the form of local economic development activity, reduced power costs, and lower costs to all customers through the issuance of Power Dividends.

Unitil has also taken steps to prepare for competitive opportunities in new, unregulated energy markets. On January 5, 1996, Unitil filed an application on Form U-1 with the SEC to allow Unitil Resources to engage in electric power, natural gas and other energy commodity marketing at wholesale and at retail. Unitil Resources is currently authorized to engage in the business of providing energy related management and consulting services, including power brokering, to entities outside the Unitil holding company system. Unitil Resources will have to comply with any applicable federal and state regulation on its activities in the wholesale and retail electricity and natural gas markets, but will otherwise be free to compete on an unregulated basis with other competitive energy suppliers in the evolving competitive marketplace. Approval of this request is expected in the spring of 1996.

Unitil continues to actively participate in industry, legislative and regulatory proceedings on the issues of competition and industry restructuring at both the federal and state levels, favoring a reasonable and orderly transition to competition and more choice for all customers.

Both the New Hampshire Public Utilities Commission (the "NHPUC") and the New Hampshire Legislature have been involved in discussions and analysis relative to competition in the industry. Early in 1995, in response to a petition by a power marketer seeking to sell to certain industrial customers of an investor-owned New Hampshire utility, the NHPUC ruled that utilities in New Hampshire do not have exclusive franchise territories as a matter of law. This decision has been appealed to the New Hampshire Supreme Court, where a decision is now pending. In June 1995, New Hampshire Senate Bill 168 (SB 168), was signed into law. SB 168 established a legislative committee to consider changes in the structure of the electric utility industry and directed the NHPUC to begin a retail wheeling pilot program. The legislative committee and its subcommittees met regularly during the summer and fall of 1995, and several members sponsored new legislation, now actively under consideration, that would require utility restructuring and retail customer choice as early as 1997. The NHPUC issued its final guidelines on a retail wheeling pilot program on February 28, 1996, requiring utility compliance filings by March 15, 1996, and implementation on May 28, 1996.

During 1995, the MDPU concluded initial hearings in an electric industry restructuring docket, and issued an order requiring the three largest Massachusetts electric utilities to file restructuring plans in February 1996, and the remaining Massachusetts' electric utilities (including FG&E) to file restructuring plans three months after the MDPU issues orders regarding the first three plans. The three utilities filed plans on February 19, 1996, but the Department subsequently decided to undertake a generic rulemaking proceeding in order to establish consistent statewide ground rules for industry restructuring. This process is expected to take several months, culminating in utility compliance filings on October 6, 1996.

One aspect of the restructuring of the electric industry which could have an adverse impact on the Company is the rate treatment accorded by regulators to a utility company's potentially "stranded costs", i.e., investments in electric generation facilities and contractual obligations from purchased power contracts, which have a fair market value, based upon current wholesale market conditions, which is less than the book value of such assets or the contract price. To the extent that regulators implement open retail competition and resulting retail market rates are comparable to current wholesale prices, and to the extent utilities are unable to recover such costs from ratepayers or to mitigate such costs through expense reductions or other means, such utilities may incur losses and may be forced to write-down certain investments in connection with the restructuring of the industry. The Company's subsidiaries which own relatively few electric generation assets, rely more heavily than most other utilities on competitively-acquired purchased power contracts subject to FERC regulation, and offer retail rates that are among the lowest in the New England region, but the financial impact, if any, on the Company of regulatory treatment of stranded costs in industry restructuring is impossible to predict at this time.

Although regulatory change with respect to natural gas utilities has been much less active in 1995 than for electric utilities, the Department issued an Order on March 15, 1996, clarifying its standards for review of gas purchase contracting decisions by local gas distribution companies. The Department has also ordered a Massachusetts gas company subject to its jurisdiction to undertake a pilot program on retail competition for residential customers, and the Unitil companies are now participating on the committees which have been set up to advise, develop and monitor the pilot program.

Although the Company cannot predict the outcome of these legislative changes and regulatory proceedings, the Company believes that increasing competition in the industry is inevitable. The Company also believes that it is well positioned to respond positively to the changing regulatory environment and the shift to more open competition.

Rates and Regulation

The Company is registered with the Securities and Exchange Commission (SEC) as a holding company under the Public Utility Holding Company Act of 1935 (1935 Act), and it and its subsidiaries are subject to the provisions of the 1935 Act. The Company and its subsidiaries, where applicable, are subject to regulation by the Federal Energy Regulatory Commission (FERC), the NHPUC and the MDPU with respect to rates, adequacy of service, issuance of securities, accounting and other matters. Unitil Power, as a wholesale utility, is subject to rate regulation by the FERC. Both CECo and E&H, as retail electric utilities in New Hampshire, are subject to rate regulation by the NHPUC, and FG&E is subject to MDPU regulation with respect to gas and electric retail rates, and FERC regulation with respect to New England Power Pool (NEPOOL) interchanges and other wholesale sales of electricity.

The revenues of the Company's three retail operating subsidiaries are collected pursuant to rates on file with the NHPUC, the MDPU and, to a minor extent, the FERC. In general, retail rates are comprised of a base rate component, established during comprehensive base rate cases, and various periodic rate adjustment mechanisms, which track and reconcile particular expense elements with associated collected revenues. The last comprehensive regulatory proceedings to increase base rates for the Company's retail operating subsidiaries were in 1985 for CECo, 1984 for FG&E, and 1982 for E&H. The majority of the System's utility operating revenues are collected under various rate adjustment mechanisms, including revenues collected from customers for fuel, purchased power, cost of gas, and demand-side management program costs.

The Unitil System Agreement (System Agreement), as approved by the FERC, governs wholesale sales by Unitil Power to its New Hampshire retail distribution affiliates, CECo and E&H, and provides for recovery by Unitil Power of all costs incurred in the provision of service. Unitil Power has continued to adjust its wholesale rates every six months in accordance with the System Agreement, and CECo and E&H have continued to file corresponding semi-annual changes in their retail fuel and purchased power adjustment clauses with the NHPUC for approval.

FG&E also files a quarterly electric fuel charge and a semi-annual gas adjustment factor with the MDPU for approval to adjust its rates for changes in fuel and gas related costs. Although all of FG&E's fuel costs and the largest portion of its purchased power costs are fully recovered under the Department's Electric Fuel Charge regulations, FG&E's electric generation entitlements are subject to annual performance reviews. Performance targets are filed by FG&E in advance and approved by the Department, and in January of each year FG&E files data on actual unit performance for the prior November to October period. The Department will investigate reasons why units failed to meet target performance criteria, and has in some cases disallowed recovery of replacement power costs for unplanned outages which the Department deemed to be due to imprudent operations or actions.

The NHPUC issued its final guidelines on a retail wheeling pilot program on February 28, 1996, requiring utility compliance filings by March 15, 1996, and implementation on May 28, 1996. The guidelines provide that up to 3% of each utility's retail customer's will be allowed to select from among competing electric supply providers and have this supply delivered across the local utility system. All utilities, including Unitil's New Hampshire based retail operating companies, CECo and E&H, have filed plans with the Commission and hearings are scheduled in early April. The Commission Guidelines have, in some cases, raised legal and jurisdictional issues which parties in the proceeding have tried to resolve through alternative proposals and settlements in order to avoid protracted litigation. The Unitil companies, on March 20, 1996, filed a settlement agreement with the Office of the Consumer Advocate which, if accepted by the NHPUC, would resolve the companies' key concerns regarding federal and state ratemaking jurisdiction. Unitil's plans for the pilot program involve CECo and E&H providing delivery services to customers participating in the pilot within their own service areas, and Unitil Resources offering competitive electric supply services to pilot program customers throughout the entire state.

FG&E, the Company's combination gas and electric retail operating subsidiary, has been incurring FERC-approved transition charges from interstate pipeline suppliers, resulting from the transition to a comprehensive set of new regulations under FERC Order 636. In June, 1994, the MDPU opened an investigation for the purpose of setting standards for the recovery by Massachusetts gas utilities of FERC Ordered 636-related transition costs billed by interstate pipeline companies. On March 8, 1995, the MDPU issued its final Order in this proceeding, which authorized and directed all gas utilities to recover Order 636-related transition costs as incurred through the cost of gas adjustment mechanism on a flat volumetric rate. Through the end of 1995, the amount of transition costs incurred by FG&E totaled approximately $2.2 million. These costs have been recovered directly from FG&E's gas customers through the cost of gas adjustment mechanism. Based on estimates included in rate filings before the FERC, and on other publicly available information, it is estimated that FG&E may incur up to an additional $1.2 million of transition costs in future years. FG&E expects full recovery of these costs through billings to customers.

On May 2, 1995, Unitil made an application to the SEC on Form U-1 seeking renewed authority and approval for short-term bank borrowings by Unitil and its subsidiaries and for renewed approval for and operation of the Unitil System Companies' cash pooling and loan arrangement. The SEC published the requisite notice with respect to this filing on May 26, 1995. On July 11, 1995, the SEC approved Unitil's application on this matter.

Resource Planning

Within both New Hampshire and Massachusetts state jurisdictions, the Company's utility operating subsidiaries are subject to regulatory review of their forecasting, planning, and long term resource acquisition processes. The operating companies are required to file resource planning documents and plans every two years, in accordance with Integrated Resource Management (IRM) rules in Massachusetts and the Integrated Resource Planning (IRP) process in New Hampshire. Additionally, the operating companies are currently required to file annually comprehensive Demand-Side Management (DSM)Program Plans with their respective state regulatory commissions.

Electric Resource Planning

In New Hampshire, an IRP was filed with the NHPUC on April 30, 1994. The NHPUC approved the IRP on February 22, 1995. The 1995/96 DSM Program Plan was filed with the NHPUC on February 1, 1995 and was approved June 28, 1995, for implementation beginning on July 1, 1995.

In Massachusetts, FG&E filed its first IRM with the MDPU on August 3, 1992. In January 1993, FG&E filed a Comprehensive Settlement of Phase I of the IRM process. On November 15, 1993, FG&E made its Phase III IRM filing, in which it proposed DSM programs for 1994-1995, and supply side initiatives. On February 15, 1994, the MDPU approved this filing, authorized the DSM programs to proceed through July 1995, and approved the supply resources. A 12-month DSM Program Plan was filed on April 7, 1995, covering the period from August, 1995 to July, 1996. This plan was approved on July 18, 1995.

Gas Resource Planning

The MDPU requires that gas companies file long term gas forecasts and resource plans consistent with IRP principles, and further requires that all contracts in excess of one year be filed for approval in advance. FG&E filed a gas IRP on July 29, 1994. The MDPU has initiated a review of FG&E's gas IRP, which is currently ongoing. Anorder is expected in early 1996.

Energy Requirements

CECo, E&H, FG&E and Unitil Power are members of NEPOOL. Under the NEPOOL Agreement, to which virtually all New England electric utilities are parties, substantially all operation and dispatching of electric generation and bulk transmission capacity in New England is performed on a regional basis. The NEPOOL Agreement imposes generating capacity and reserve obligations and provides for the use of major transmission facilities and payments associated therewith. Each company's capability responsibility under NEPOOL involves carrying an allocated share of New England capacity requirements which is determined for each six-month period based on regional reliability criteria. Unitil Power, as the full requirements supplier to CECo and E&H, had a capability responsibility as of December, 1995 of 224.85 MW and a corresponding peak demand of 195.61 MW that occurred on July 14, 1995. FG&E's capability responsibility as of December, 1995 was 91.99 MW, with a corresponding peak demand of 79.69 MW that occurred on June 20, 1995.

To meet the needs of CECo and E&H, Unitil Power has contracted for generating capacity and energy and for associated transmission services as needed to meet NEPOOL requirements and to provide a diverse and economical energy supply. Unitil Power's purchases are from various utility and non-utility generating units using a variety of fuels and from several utility systems in the U.S. and Canada. For the twelve months ending December 31,1995, Unitil Power's energy needs were provided by the following fuel sources: nuclear (32%), oil (21%), coal (19%), gas (13%), wood and refuse (5%) , hydro (1%), and system and other (9%).

FG&E meets its capacity requirements through ownership interests and power purchase contracts. FG&E's purchases are from various utility and non-utility generating units using a variety of fuels and from several utility systems in the U.S. and Canada. For the twelve months ending December 31, 1995, FG&E's energy needs, including generation from joint-owned units, were provided from the following fuel sources: nuclear (24%), oil (22%), wood (25%), hydro (4%), coal (7%) and system and other (18%).

FG&E has a 4.5% ownership interest, or 20.12 MW, in an oil and natural gas-fired generating plant in New Haven, Connecticut, which is operated by The United Illuminating Company, the plants' majority owner. FG&E also has a 0.1822% ownership interest, or 1.13 MW, in an oil-fired generating plant in Yarmouth, Maine, which is operated by Central Maine Power Company as the majority owner, and a 0.217% ownership interest, or 2.5 MW, in the Millstone 3 nuclear unit operated by Northeast Utilities, parent of the principal owners of that unit. In addition, FG&E operates an oil-fired combustion turbine with a current capability of 26.6 MW under a long-term financing lease.

Fuel Supply

Oil. Approximately 22% of FG&E's and 21% of Unitil Power's electric power in 1995 was provided by oil-fired units, some of which are owned by FG&E. Most fuel oil used by New England electric utilities is acquired from foreign sources and is subject to interruption and price increases by foreign governments.

Coal. Approximately 7% of FG&E's and 19% of Unitil Power's 1995 requirements were from coal-burning facilities. The facilities generally purchase their coal under long term supply agreements with prices tied to economic indices. Although coal is stored both on-site and by fuel suppliers, long term interruptions of coal supply may result in limitations in the production of power or fuel switching to oil and thus result in higher energy prices.

Nuclear. FG&E has a 0.217% ownership interest in Millstone Unit No. 3 (the Unit). The Unit has contracted for certain segments of the nuclear fuel production cycle through various dates. This cycle includes, among other things, mining, enrichment and disposal of used fuel. Contracts for various segments of the fuel cycle will be required in the future, and their availability, prices and terms cannot now be predicted.

Pursuant to the Nuclear Waste Policy Act of 1982, the participants in Millstone 3 were required to enter into contracts with the United States Department of Energy, prior to the operation of that Unit, for the transport and disposal of spent fuel at a nuclear waste repository. Under the Act, a national repository for nuclear waste was anticipated to be in operation by 1998. FG&E cannot predict whether the Federal government will be able to provide interim storage or permanent disposal repositories for spent fuel.

Gas Operations and Supply

FG&E distributes gas purchased from domestic and Canadian suppliers under long term contracts as well as gas purchased from producers and marketers on the spot market. The diversity and flexibility of supply reflects FG&E's commitment to securing a reliable gas supply at the lowest possible cost. The following tables summarize actual gas purchases by source of supply and the cost of gas sold for the years 1993 through 1995:

Sources of Gas Supply
(Expressed as percent of total MMBtu of gas purchased)

Natural Gas:	1995	1994	1993
Domestic firm..................	82.3%	81.9%	58.4%
Canadian firm..................	5.6%	6.2%	11.0%
Domestic spot market...........	11.1%	9.0%	25.2%
Total natural gas..................	99.0%	97.1%	94.6%
Supplemental gas...................	1.0%	2.9%	5.4%
Total gas purchases................	100.0%	100.0%	100.0%

Cost of Gas Sold

	1995	1994	1993
Cost of gas purchased and sold per MMBtu	$3.03	$3.47	$3.78
Percent Increase (Decrease) from prior year	(12.7)%	(8.2)%	0.8%

Under Order 636, issued by the FERC in 1992, FG&E's former sole supplier of pipeline services, TGP, was required to unbundle its transportation services and its sales services. As a result, all Local Distribution Companies (LDCs) now arrange for a portfolio of transport, storage and supply contracts to meet customer requirements.

In 1993, FG&E added two long term purchases of gas supply that replaced supplies previously provided by TGP. These contracts expire on October 1999 and October 1996 respectively. The MDPU approved these contracts in March 1994. FG&E also has underground storage contracts which provide significant natural gas storage capacity. TGP also provides FG&E with underground storage. FG&E has firm transportation agreements with TGP for delivery of storage gas .

As a supplement to pipeline natural gas, FG&E owns a propane air gas plant and has under a financial lease a liquefied natural gas (LNG) storage and vaporization facility. These plants are used principally during peak load periods to augment the supply of pipeline natural gas.

Environmental Matters

The Company does not expect that compliance with environmental laws or regulations will have a material effect on its business, or the businesses of its subsidiaries. The Company does not know whether, or to what extent, such regulations may affect it or its subsidiaries by impinging on the operations of other electric and gas utilities in New England.

Unitil Power and FG&E purchase wholesale capacity and energy from a diverse group of suppliers using various fuel sources and FG&E has ownership interests in certain generating plants. Some of the purchase power contracts contain cost adjustment provisions that may allow the supplier to pass through environmental remediation costs. The Company has not been informed whether any of these suppliers are likely to incur significant environmental remediation costs and, if so, which if any such costs may be passed through.

The Company continues to work with federal and state environmental agencies to assess the environmental contamination in the vicinity of former gas manufacturing sites operated by Fitchburg Gas and Electric Light Company, the Company's combination gas and electric operating subsidiary. Based on information developed over the last several years, it has been discovered that there is environmental contamination at a former gas manufacturing plant in Fitchburg, MA (the Sawyer Passway site). In December 1995 the Company accepted a Tier 1B permit from the Massachusetts Department of Environmental Protection (DEP) to address the site pursuant to the requirements of the Massachusetts Contingency Plan. Further investigations are necessary to assess the extent and nature of the contamination, and to evaluate potential remedies. Reports on those investigations are due to be filed with the DEP in early 1997. Because these investigations are at an early stage management cannot, at this time, predict the costs of future analysis and remediation. The costs of such assessments and any remedial action determined to be necessary will initially be funded from traditional sources of capital and recovered from customers under a rate recovery mechanism approved by the MDPU. The Company also has a number of liability insurance policies that may provide coverage for environmental remediation at this site.

Capital Requirements

Net capital expenditures increased approximately $3.7 million in 1995 as a result of planned spending for utility system improvements, as well as the taking by the State of New Hampshire of the Company's current headquarters and the commencement of construction of a new corporate headquarters. This increase in capital expenditures from 1994 to 1995 reflects increased spending of approximately $5.7 million, $2.3 million for normal utility system improvements and $3.4 million for the construction on a new corporate headquarters, offset by proceeds of $2.0 million from the taking of the Company's corporate headquarters.

In February 1995, Unitil's corporate headquarters, located in Exeter, New Hampshire, was taken by the State of New Hampshire through eminent domain in connection with the Route 101 highway expansion project. As a result of this taking, the Company purchased land in Hampton, New Hampshire, during 1995, and began construction of a new corporate headquarters, which is scheduled for completion during the summer of 1996.

In 1996, total capital expenditures are expected to approximate $18.9 million. This projection reflects capital expenditures of approximately $14.8 million for normal utility system expansions, replacements and other improvements and capital expenditures of approximately $4.1 million related to the completion of construction of the new corporate headquarters.

Financing Activities

No long-term debt was issued by any of the Unitil System companies during 1995, however, during both 1994 and 1993 various Unitil System Companies completed private placements of long-term debt. The funds generated by these transactions were primarily used to repay the short-term indebtedness incurred by each system company to fund their ongoing construction programs, and also to redeem higher coupon long-term debt issues prior to their maturity. The impact of these transactions has been to gradually lower the average cost of the System's long-term debt portfolio.

The Company currently has unsecured committed bank lines for short-term debt aggregating $10,000,000 with three banks for which it pays commitment fees. At December 31, 1995, the unused portion of the committed credit lines outstanding was $7,300,000. The average interest rate on all short-term borrowings outstanding during 1995 was 6.59%.

Employee Relations

As of December 31, 1995, the Company and its subsidiaries had 324 full-time employees. The Company considers its relationship with its employees to be good and has not experienced any major labor disruptions since the early 1960's.

There are 120 employees represented by labor unions. In 1995, one of Unitil's retail operating subsidiaries, E&H, reached a new three year pact with its employees covered by a collective bargaining agreement. In 1994, two of Unitil's retail operating subsidiaries, CECo and FG&E, reached new three year pacts with their respective employees covered by collective bargaining agreements. The agreements provide for discreet salary adjustments, established work practices and provided uniform benefit packages.

The Company and its subsidiaries, where applicable, have in effect funded Retirement Plans and related Trust Agreements providing retirement annuities for participating employees at age 65. The Company's policy is to fund the pension cost accrued. (See Note 9 of Notes to Consolidated Financial Statements contained in Part II Item 8. , page 35 .)

Executive Officers of the Registrant

The names, ages and positions of all of the executive officers of the Company as of March 1, 1995 are listed below, along with a brief account of their business experience during the past five years. All officers are elected annually by the Board of Directors at the Directors' first meeting following the annual meeting which is held on the third Thursday in April, or at a special meeting held in lieu thereof. There are no family relationships among these officers, nor is there any arrangement or understanding between any officer and any other person pursuant to which the officer was selected. Officers of the Company also hold various Director and Officer positions with subsidiary companies.

NAME, AGE and Position	BUSINESS EXPERIENCE During Past 5 years
PETER J. STULGIS, 45, Chairman of the Board of Directors and Chief Executive Officer	MR. STULGIS HAS BEEN A DIRECTOR of the Company since its incorporation in 1984, and Chairman of the Board and Chief Executive Officer since 1992. From 1987 - 1992, Mr. Stulgis was Executive Vice President and Chief Financial Officer of the Company.
MICHAEL J. DALTON, 55, President and Chief Operating Officer	MR. DALTON HAS BEEN A DIRECTOR, President and Chief Operating Officer of the Company since its incorporation in 1984.

GAIL A. SIART, 37, Chief Financial Officer, Secretary and Treasurer	MS. SIART WAS PROMOTED TO CHIEF Financial Officer in 1994. Ms. Siart has been Secretary of the Company since 1988 and Treasurer since 1992. Prior to being elected Treasurer in 1992, Ms. Siart was the System's Subsidiary Treasurer since 1988.
JAMES G. DALY, 38 Senior Vice President Energy Resources Unitil Service	MR. DALY WAS PROMOTED TO SENIOR Vice President of Unitil Service in 1994. Mr. Daly was Vice President of Unitil Service from 1992 to 1994, and Asst. Vice President of Unitil Service from 1988 to 1992.
GEORGE R. GANTZ, 44 Senior Vice President Business Development Unitil Service	MR. GANTZ WAS PROMOTED TO SENIOR Vice President of Unitil Service in 1994. Mr. Gantz was Vice President of Unitil Service from 1989 to 1994, and Asst. Vice President of Unitil Service from 1986 to 1989.

Item 2. Properties

CECo's distribution service center building and adjoining administration building, totaling 37,560 square feet of office, warehouse and garage area, are located on land in the City of Concord owned by CECo in fee. CECo's seventeen electric distribution substations constitute 94,400 KVA of capacity for the transformation of electric energy from the 34.5 KV transmission voltage to primary distribution voltage levels. The electric substations are, with one exception, located on land owned by CECo in fee. The sole exception is located on land occupied pursuant to a perpetual easement.

CECo has in excess of 39 pole miles of 34.5 KV electric transmission facilities located, with minor exceptions, either on land owned by CECo in fee or on land occupied pursuant to perpetual easements. CECo also has 618 pole miles of overhead electric distribution primary voltage lines and approximately 97 cable miles of underground primary voltage lines. The electric distribution lines are located in, on or under public highways or private lands pursuant to lease, easement, permit, municipal consent, tariff conditions, agreement or license, expressed or implied through use by CECo without objection by the owners. In the case of certain distribution lines, CECo owns only a part interest in the poles upon which its wires are installed, the remaining interest being owned by telephone and telegraph companies.

Additionally, CECo owns in fee 137.7 acres of land located on the east bank of the Merrimack River in the City of Concord. Of the total acreage, 81.2 acres are located within an industrial park zone, as specified in the zoning ordinances of the City of Concord.

The physical properties of CECo (with certain exceptions) and its franchises are subject to the lien of its Indenture of Mortgage and Deed of Trust, as supplemented, under which the respective series of First Mortgage Bonds of CECo are outstanding.

E&H's distribution and engineering service center building is located on land owned by E&H in fee. E&H's fourteen electric distribution substations, together with a 5,000 KVA mobile substation, constitute 91,400 KVA of capacity for the transformation of electric energy from the 34.5 KV transmission voltage to primary distribution voltage levels. The electric substations are located on land owned by E&H in fee.

E&H has in excess of 68 pole miles of 34.5 KV electric transmission facilities located on land either owned or occupied pursuant to perpetual easements. E&H also has 688 pole miles of overhead electric distribution primary voltage lines and approximately 74 cable miles of underground primary voltage lines. The electric distribution lines are located in, on or under public highways or private lands pursuant to lease, easement, permit, municipal consent, tariff conditions, agreement or license, expressed or implied through use by E&H without objection by the owners. In the case of certain distribution lines, E&H owns only a part interest in the poles upon which its wires are installed, the remaining interest being owned by telephone and telegraph companies.

Certain physical properties of E&H and its franchises are subject to the lien of its Indenture of Mortgage and Deed of Trust, as supplemented, under which the respective series of First Mortgage Bonds of E&H are outstanding.

FG&E owns a propane gas plant and leases an LNG plant, both of which are located on land owned by it in fee. The Company has entered into agreements for joint ownership with others of one nuclear and two fossil fuel generating facilities. At December 31, 1995, the electric properties of the Company consisted principally of 70 miles of transmission lines, 18 transmission and distribution substations with a total capacity of 383,275 KVA and 656 miles of distribution lines. Electric transmission facilities (including substations) and steel, cast iron and plastic gas mains owned by the Company are, with minor exceptions, located on land owned by the Company in fee or occupied pursuant to perpetual easements. The Company leases its service building, and its combustion turbine electric peaking generator and LNG facility. (See Business - Electric Operations and Energy Supply and Gas Operations and Supply above for additional information regarding the Company's plants, facilities and gas mains and services.)

Unitil Realty currently owns 12 acres of land in fee, which is located in the Town of Hampton, New Hampshire. This land, which was purchased during 1995, is the site of Unitil's future corporate headquarters building. This facility, which began construction during the fall of 1995, is scheduled to be completed during the summer of 1996, with occupancy by the Company to follow completion. The Company believes that its facilities are currently adequate for their intended uses.

Unitil Realty was, until February 13, 1995, the owner of the Company's corporate headquarters and 36 acres of related land located in the Town of Exeter, New Hampshire. On that date, the State of New Hampshire (the "State") took title to and possession of the land and building through eminent domain. The building is to be demolished in connection with the State's Route 101 highway expansion. (See Capital Requirements under Item 1. of this Report). The State of New

Hampshire is currently renting this facility back to the Company, until the Company completes the construction of its new corporate headquarters building.

Item 3. Legal Proceedings

In June, 1993, E&H was served with a complaint from Zeabrook Associates, the owner of an apartment complex. In that complaint filed in the New Hampshire Superior Court for Rockingham County, the owner asserts that the Company improperly imposed a cash deposit requirement for new residential customers in the claimant's apartment complex resulting in lost rental income and damages to reputation. The Company believes that these claims are entirely without merit, and it has continued to defend itself against them. The likelihood of an unfavorable outcome or extent of loss cannot be estimated at this time.

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

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

PART II

Item 5. Market For the Registrant's Common Equity and Related Stockholder Matters

Common Stock Data

Dividends Paid Per Common Share

	1995	1994
1st Quarter	$0.32	$0.31
2nd Quarter	0.32	0.31
3rd Quarter	0.32	0.31
4th Quarter	0.32	0.31
The Year	$1.28	$1.24

Price Range of Common Stock

	1995		1994	
	High/Ask	Low/Bid	High/Ask	Low/Bid
1st Quarter	17 5/8	16	19 5/8	18 1/4
2nd Quarter	17 5/8	16 1/8	19 1/2	16 3/4
3rd Quarter	20 1/8	16 5/8	19	15 7/8
4th Quarter	21 3/8	19 1/8	18 1/4	16

ITEM 6. SELECTED FINANCIAL DATA

	1995	1994	1993	1992	1991
Consolidated Statements of Earnings (000's)					
Operating Income	$14,225	$13,754	$14,066	$13,328	$12,358
Non-operating Expenses	217	64	62	94	626
Income Before Interest Expense	14,008	13,690	14,004	13,238	11,732
Interest Expense, Net	5,639	5,652	6,404	6,822	7,796
Unsolicited Tender Offer and Merger Expenses (Net of Taxes)	----	----	----	(155)	1,571
Net Income	8,369	8,038	7,600	6,416	3,936
Dividends on Preferred Stock	284	291	298	352	315
Net Income Applicable to Common Stock	$8,085	$7,747	$7,302	$6,064	$3,621
Balance Sheet Data (000's)					
Utility Plant (original cost)	$190,177	$178,777	$171,540	$165,880	$160,775
Total Assets	211,702	204,521	201,509	172,348	170,390
Capitalization and Short-term Debt:					
Common Stock Equity	63,895	59,997	56,234	52,608	49,887
Preferred Stock	3,999	4,094	4,198	4,277	4,412
Long-Term Debt	63,505	65,580	57,378	62,041	60,442
Short-Term Notes Payable	2,700	----	8,400	4,780	9,550
Total Capitalization	134,099	129,671	126,210	123,706	124,291
Capitalization Ratios:					
Common Stock Equity	49%	46%	45%	43%	40%
Preferred Stock	3%	3%	3%	3%	4%
Long-Term & Short-Term Debt	48%	51%	52%	54%	56%
Common Stock Data (000's)					
Shares of Common Stock (Year-End)	4,330	4,268	4,205	4,152	4,119
Shares of Common Stock (Average)	4,299	4,234	4,181	4,133	4,115
Per Share Data					
Earnings Per Average Share	$1.88	$1.83	$1.75	$1.50	$0.50
Dividends Paid Per Share	$1.28	$1.24	$1.15	$1.10	$1.04
Book Value Per Share	$14.76	$14.06	$13.37	$12.67	$12.11
Electric and Gas Statistics					
Electric Sales-(MWH)	1,401,292	1,358,165	1,303,326	1,260,747	1,230,049
Customers Served-Year End	88,316	86,782	85,383	85,131	84,222
Gas Sales-(000's of Therms)	22,303	23,057	22,763	23,281	20,394
Customers Served-Year End	14,846	15,012	15,340	15,514	15,713

Note: The above data have been combined and restated to reflect the merger of FG&E into the Unitil System and the two-for-one stock split that occurred in 1992.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Earnings and Dividends

Unitil's earnings were $1.88 per common share for the year ending December 31, 1995, an increase over the prior year record earnings per share achieved in 1994 and 1993 of $1.83 and $1.75, respectively. The average return on common equity in 1995 was 13.1%. 1995's earnings' performance primarily reflects increased electric base revenue from higher energy sales by Unitil's retail operating companies as well as the continued ability to effectively manage and control the System's operating costs.

In 1995, Unitil continued its history of steadily increasing its dividend. Common stock dividends in 1995 were $1.28 per share, an increase of 3.2% over the 1994's annual dividend and a dividend payout ratio of 68%. At its January 1996 meeting, the Unitil Board of Director's increased the quarterly dividend by 3.1% to $0.33 per share, resulting in the current effective annualized dividend of $1.32 per share.

Year in Review

The System's total electric base revenue was up by 2.5% in 1995 due to an overall increase in kilowatt-hour sales and kilowatt billing demands of 3.2% and 4.4%, respectively. This increase was mainly due to continuing growth in the demand for energy by the System's largest industrial and commercial customers. In 1995, kilowatt-hour sales grew by 7.9% to this group of customers. In addition, extreme seasonal weather patterns in 1995 also played a significant role on sales to the more weather-sensitive residential and commercial customer groups. In the third quarter, electric sales used for cooling purposes was supported by one of the hottest third quarters on record in New England. In contrast, there was a significant decline in weather-sensitive energy sales during the first quarter of the year, during one of the mildest winter heating seasons in 30 years. The weather in this quarter, as measured by heating degree days, was 16% warmer than the same period last year. As a result, electric kilowatt-hour sales to residential customers, whose usage was impacted most by the mild first quarter, remained relatively unchanged from the prior year.

The following table details total kilowatt -hour sales in each of the last three years by customer group:

KWH Sales (000's)

	1995	1994	1993
Residential	507,233	507,071	495,395
Commercial	381,292	374,769	375,413
Large Commercial/Industrial	500,945	464,357	419,989
Other Sales	11,822	11,968	12,053
Total KWH Sales	1,401,292	1,358,165	1,302,848

The mild winter in the first quarter of 1995 also had a negative impact on gas sales for the year. In 1995, gas base revenue decreased by 3.3% due to lower gas firm therm sales compared to the prior year. The bulk of the decrease in firm therm sales was caused by a decrease of more than 6% in sales to residential customers, reflecting the extremely mild winter heating season. The following table details total firm therm sales in each of the last three years by customer group:

Firm Therm Sales (000's)

	1995	1994	1993
Residential	12,523	13,345	13,399
Commercial	6,208	5,892	5,642
Industrial	3,572	3,820	3,722
Total Therm Sales	22,303	23,057	22,763

With more normal winter weather, growth of both electric and gas sales in the first quarter of 1996 should show marked improvement over 1995. In addition, electric energy sales to industrial and commercial customers are also expected to continue to increase in 1996 as new businesses look to Unitil for their energy services and existing customers expand their operations. In particular, the Company will be aggressively marketing its Energy BankTM program throughout 1996. Energy BankTM is an innovative economic development program designed to bring low-cost energy to new and expanding industrial customers. With rates in the range of 5 cents/KWH this program offers electric energy at a price that is equal to the National Average industrial rate and is 40% below the current average industrial rate in New England.

The System's operations-related costs (not including fuel, purchased power and conservation program costs, which are normally recovered from customers through periodic cost recovery adjustment mechanisms) were relatively unchanged in 1995 compared to 1994, reflecting the continued success of the Company's disciplined approach to cost management practices and procedures. Local property taxes increased 13.2% in1995, compared to prior year levels, mainly reflecting annual property tax increases on utility property.

OPERATING REVENUES

The following Table compares the major components of Operating Revenues for 1995, 1994 and 1993.

Operating Revenue ($000's)

	1995	1994	1993
Base Electric Revenue	$45,458	$44,381	$43,406
Fuel and Purchased Power	90,558	88,103	88,001
Conservation Program Costs	2,084	1,613	1,348

Total Electric Revenue	138,099	134,097	132,755
Base Gas Revenue	7,105	7,348	7,332
Cost of Gas	8,202	9,935	10,066
Interruptible Revenue	2,323	1,412	1,088
Total Gas Revenue	17,630	18,695	18,486
Other Revenue	941	625	368
Total Operating Revenue	$156,670	$153,416	$151,609

Electric Operating Revenue increased by approximately $4.0 million, or 3%, in 1995 compared to 1994. Total electric operating revenue is comprised of electric base revenue, fuel and purchased power revenue and conservation and load management program revenue. Fuel and purchased power revenue are collected from customers through the operation of periodic cost recovery adjustment mechanisms. Changes in this component of operating revenue do not affect net income as they normally mirror corresponding changes in fuel and purchased power costs. Conservation and load management program revenue is also collected from customers through a periodic cost recovery mechanisms, reflecting underlying changes in conservation and load management program costs. Electric base revenue is that portion of electric operating revenue that has a direct impact on net income. In 1995, electric base revenue rose by approximately $1.0 million. This 2.5% increase in electric base revenue was due to the continued growth in the System's electric energy sales to its customers.

In 1994, the System's electric operating revenue increased by approximately $1.3 million, or 1% with the electric base revenue portion increasing by approximately 2.2%. This increase in electric base revenue in 1994, compared to 1993, was due to the growth in the System's total electric kilowatt-hour sales and kilowatt billing demands of 4.2% and 3.3%, respectively. Partially offsetting this comparative year-over-year increase in electric base revenue was the full-year impact of a voluntary base rate reduction that was implemented by the Company's Massachusetts retail operating subsidiary in December 1993.

Gas Operating Revenue decreased by about $1.1 million, or 5.7%, in 1995 compared to 1994. Gas operating revenue is comprised of three components: cost of gas revenue, interruptible revenue and gas base revenue. Cost of gas revenue is collected from customers through the operation of a cost of gas adjustment mechanism. Changes in this component of gas operating revenue does not affect net income as it reflects corresponding changes in gas supply costs. Interruptible revenue increased by about $900,000, an increase of more than 64%, due to very favorable spot market prices for gas in 1995. Margins earned on interruptible gas sales are used to directly lower rates to firm customers through the cost of gas adjustment mechanism and do not directly impact the Company's net income. Gas base revenue is that portion of gas operating revenue that has a direct impact on net income. In 1995, gas base revenue decreased approximately $243,000 based on an overall decrease of 3.3% in firm therm sales, due to an extremely mild heating season.

In 1994, total gas operating revenue increased by about $200,000, or 1%, as compared to 1993. Interruptible revenue increased more than 29%, reflecting an improvement in the competitive pricing of gas a fuel choice for duel-fuel interruptible customers in 1994, as compared to 1993. Gas base revenue increased slightly in 1994 due to an increase of 1.3% in therm sales to firm customers. Partially offsetting this comparative year-over-year increase in gas base revenue was a full year impact of a voluntary base-rate reduction that was implemented by the Company's Massachusetts retail operating subsidiary in December 1993.

Other Revenue of $940,954 in 1995 and $624,560 in 1994 was principally derived from Unitil Resources, the Company's energy consulting subsidiary, which began providing consulting services to non-affiliate companies in mid-1993. These consulting services have chiefly related to the provision of administrative, management, and power brokering services. One of Unitil Resources principal customers terminated its service agreement with the Company as of December 31, 1995, which will reduce Unitil Resource's contributions to earnings in 1996, unless new agreements are entered into to replace the revenue that was billed under this former agreement.

OPERATING EXPENSES

Fuel and Purchased Power reflects the cost of fuel used in electric generation and wholesale energy and capacity purchased to meet the Unitil System's electric energy requirements. Fuel and purchased power expenses (normally recoverable from customers through periodic cost recovery adjustment mechanisms) increased $2.0 million, or 2.2% in 1995 compared to 1994. The change reflects an increase in the System's total energy requirements in 1995, partially offset by reduction in the average unit cost of the System's power supply portfolio. Power supply markets continued to be very competitive in 1995, providing many opportunities to achieve cost savings through active participation in the market and management of the System's resource portfolio. The combined resource portfolio of the Unitil System is comprised of a variety of power supply sources, including owned generation, utility purchase power contracts and purchases from non-utility generators. The Unitil System's total energy supply resources for 1995 were comprised of: 16% from subsidiary-owned generation; 61% from various utility-purchased power contracts; and 23% representing purchases from non-utility generation units.

In 1994 compared to 1993, fuel and purchase power expenses were relatively unchanged reflecting favorable pricing of existing long-term power supply commitments and competitive short-term power supply markets.

Purchased Gas reflects gas purchased and made to supply the System's total gas energy requirements. Purchased Gas decreased by approximately $617,000 or 5.5% in 1995 as compared to 1994. Significant decreases in gas prices due to favorable gas supply markets more than offset the 10.5% increase in therms purchased (including gas purchased for interruptible sales). Purchased Gas increased by almost $44,000, or 0.4% in 1994 as compared to 1993, based on an increase of 7.2% in therms purchased, offset by a lower unit cost of gas. Purchased Gas is normally recoverable from customers through the cost of gas adjustment mechanism.

Under Order 636, the Federal Energy Regulatory Commission (FERC) has allowed gas pipeline suppliers to recover prudently incurred costs resulting from the transition into a deregulated environment. The Company's combination gas & electric utility operating subsidiary, has been incurring FERC-approved transition charges from its natural gas pipeline supplier since 1992. Through the end of 1995, the amount of transition costs incurred by the Company totaled approximately $2,200,000. These costs are being recovered directly from gas customers customers through the cost of gas adjustment mechanism. On the basis of estimates included in rate filings before the FERC and other publicly available information, the Company currently estimates that it may incur up to an additional $1,200,000 of transition costs in future years. The Company expects full recovery of these costs through billings to customers.

Operation and Maintenance expense increased by about $900,000, or 4.2% in 1995 compared to 1994. This increase primarily reflects higher conservation and load management program expenditures (which are recoverable from customers through periodic cost recovery mechanisms). In 1995, expenditures on this component of operation and maintenance expenses was over $2.1 million -- a 30% increase over 1994's conservation and load management program expenditure level. Excluding these costs, the System's total operating and maintenance costs were relatively unchanged in 1995 compared to 1994. This performance primarily reflects the success of the Company's disciplined approach to cost management practices and procedures.

In 1994, Operation and Maintenance expense increased by almost $900,000 million, or 4.3%. Almost one-third of the increase in Operating and Maintenance was due to a 20% rise in expenditures on demand-side management and conservation programs during 1994, as compared to 1993. The remaining increase in 1994's Operating and Maintenance reflects modest overall growth of about $500,000, or 2.7% in the System's operation and maintenance costs. The majority of this increase was due to extensive gas distribution system maintenance and repairs conducted in 1994.

DEPRECIATION, AMORTIZATION and TAXES

Depreciation and Amortization expense increased more than 3% for both 1995 and 1994 over the prior year due primarily to a higher level of plant in service.

Amortization of the Cost of Abandoned Properties principally relates to the abandonment of an investment in the Seabrook Nuclear Power Plant by the Company's Massachusetts retail operating subsidiary. A portion of the former investment in this project is being recovered in rates to electric customers as allowed by the Massachusetts Department of Public Utilities.

Federal and State Income Taxes remained relatively unchanged in 1995 compared to 1994 despite an increase in net income before taxes of approximately $309,000, or 2.5%. This result primarily reflects non-recurring tax benefits realized by the Company from a donation of land to the Park 2000 project in Fitchburg, Massachusetts and the tax loss realized on the State of New Hampshire's taking by eminent domain of the Company's corporate headquarters in Exeter, New Hampshire. Federal and State Income Taxes increased by $462,000 or 12.5% in 1994 due to higher net income before taxes of approximately $900,000.

Local Property Taxes increased $353,956, or 13.2%, in 1995. This increase mainly reflects the annual property tax increases set by local communities. Local Property taxes increased in 1994, compared to 1993 by 14.4%.

NON-OPERATING EXPENSES

For 1995, Non-Operating Expenses increased by approximately $152,700, primarily reflecting a $141,000 non-operating loss as a result of the State of New Hampshire's taking by eminent domain of the Company's corporate headquarters in Exeter, New Hampshire.

INTEREST EXPENSE

Interest Expense, Net remained relatively unchanged in 1995 over 1994, as interest income and reduced short-term borrowing costs offset increased long-term debt related interest costs. Higher long-term debt interest costs in1995, compared to the prior year, reflect the conversion of short-termdebt into long-term debt in late 1994 by the Company's New Hampshire retail operating subsidiaries.

Interest Expense decreased approximately 12% in 1994 compared to 1993, due primarily to the refinancing of long-term debt at lower interest rates. Also contributing to lower interest costs was the general decline in short-term borrowing costs during this period.

CAPITAL REQUIREMENTS AND LIQUIDITY

The Unitil System companies require capital for the acquisition of property, plant and equipment in order to improve, protect, maintain and expand their electric and gas operating systems. Capital necessary to meet these requirements are derived primarily from the Company's retained earnings and through the System's Dividend Reinvestment and Common Share Purchase Plan. When internally-generated funds are not available, it is the Company's policy to borrow interim funds on a short-term basis to meet the capital requirements of its subsidiaries and, when necessary, to repay short-term debt through the issuance of permanent financing on an individual company basis. The size and timing of such financings depend on developments in the securities markets, the ability to meet certain financing covenants and the receipt of appropriate regulatory approval. The Company attempts to maintain a conservative capitalization structure, which contributes to both the stability of Unitil and its ability to market new securities. The Company has been able to access the financial markets to meet its capital requirements and does not anticipate a change in its access to, or the availability of, capital in the coming year.

Operating Activities (in $000's):

	1995	1994	1993
Net Cash Provided by			
Operating Activities	$17,018	$16,349	$12,989

Cash flow from operations increased by $0.7 million in 1995 after increasing by $3.4 million in 1994. These larger cash flow balances in recent years reflect increased earnings by the Company and changes in its working capital requirements, as detailed in the Consolidated Cash Flow Statements.

Investing Activities (in $000's):

	1995	1994	1993
Net Cash Used in Investing Activities	$12,645	$8,943	$7,714

Cash flow from investing activities increased approximately $3.7 million in 1995 as a result of planned spending for utility system improvements, as well as the State of New Hampshire's taking by eminent domain of the Company's current headquarters and the associated commencement of construction of a new corporate headquarters. Total capital expenditures increased by $5.7 million in 1995, to $14.6 million, reflecting increased spending of approximately $2.3 million for normal utility system improvements and $3.4 million for the construction on a new corporate headquarters. These increases in capital expenditures were offset by proceeds of $2.0 million from the taking of the Company's corporate headquarters.

In February 1995 Unitil's corporate headquarters located in Exeter, New Hampshire was taken by the State of New Hampshire through eminent domain, in connection with the State's Route 101 highway expansion project. While the impact of this transaction has been fully recognized in the financial results for 1995, Unitil is currently appealing the valuation placed upon its land and building by the State during the taking process and is seeking additional compensation. As a result of this taking, the Company purchased land in Hampton, New Hampshire during 1995 and began construction of a new corporate headquarters, which is scheduled for completion during the summer of 1996.

In 1996, total capital expenditures are expected to approximate $18.9 million. This projection reflects capital expenditures of approximately $14.8 million for normal utility system expansions, replacements and other improvements and capital expenditures of approximately $4.1 million related to the completion of construction of its new corporate headquarters.

Financing Activities (in $000's):

	1995	1994	1993
Net Cash Used In Financing Activities Financing	$4,785	$5,301	$5,789

The change in cash flows from financing activities in 1995 compared to 1994 primarily reflects increases in the System's short-term borrowings and capitalized lease obligations at year end as detailed in the Consolidated Cash Flow Statements. Short term borrowing requirements are met through Unitil's committed credit facilities with three different banks, which currently total $10 million.

No long-term debt was issued by any of the Unitil System companies during 1995, however during both 1994 and 1993 Unitil's three retail operating companies completed private placements of long-term debt. The funds generated by these transactions were primarily used to repay the short-term indebtedness incurred by each System company to fund their ongoing construction programs, and to redeem higher coupon long-term debt issues prior to their maturity. The impact of these transactions has been to lower the average cost of the System's long-term debt portfolio.

The Company does expect to undertake a long-term financing for Unitil Realty Corp. during 1996, following the completion of construction on its new corporate headquarters. The purpose of this financing will be to repay short-term debt incurred to finance construction of the building.

During 1995, the Company raised $1,009,499 of additional common equity capital through the issuance of 58,457 shares of common stock in connection with the Dividend Reinvestment and Tax Deferred Savings and Investment plans. The Company raised $1,037,809 of additional common equity capital in 1994 and $880,154 of additional equity capital in 1993, through the respective issuance of 58,229 and 46,291 shares of common stock in connection with these plans. The Company also issued shares during each of the years from 1993 through 1995 as a result of the exercise of options granted under the Company's Key Employee Stock Option Plan (KESOP). The total number of shares issued under the KESOP plan in 1995, 1994 and 1993 were 3,291 shares, 4,110 shares and 6,966 shares, respectively.

REGULATORY MATTERS

At the state level in both New Hampshire and Massachusetts, and at the federal level, recent regulatory activity has focused on determining how to deregulate the retail sale of electricity to allow for a more competitive market. As the trend continues towards competition in the electric utility industry, Unitil has actively participated in industry, legislative and regulatory proceedings on the issues of competition and industry restructuring at both the federal and state levels, favoring a reasonable and orderly transition to competition and more choice for all customers.

Both the New Hampshire Public Utilities Commission (the "NHPUC") and the New Hampshire Legislature have been involved in discussions and analysis relative to competition in the industry. Early in 1995, the NHPUC issued an order in response to a petition by a power marketer seeking to sell to certain industrial customers of an investor-owned New Hampshire utility. In that order the NHPUC ruled that utilities in New Hampshire do not have exclusive franchise territories as a matter of law and directed the marketer to seek a declaratory order from the Federal Energy Regulatory Commission regarding its proposed transactions. This decision has been appealed to the New Hampshire Supreme Court. In June 1995 New Hampshire Senate Bill 168 (SB 168), was signed into law. SB 168 establishes a legislative committee to consider changes in the structure of the electric utility industry. The act also directs the NHPUC to begin a retail competition pilot program and to act within five months to establish standards for utility discounts to industrial customers. The legislative committee and its subcommittees met regularly during the summer and fall of 1995. Several members sponsored new legislation, including legislation currently being debated that would require utilities to file restructuring plans with the NHPUC by June 1996, with statewide retail competition by June 1998. The NHPUC has issued its preliminary guidelines for the retail wheeling pilot program incorporating implementation by May 1996 and is expected to issue its final guidelines in March 1996. The NHPUC issued its final guidelines on discount rates for industrial customers in November 1995. The NHPUC aproved the Company's Energy BankTM program in accordance with these guidelines in December 1995.

During 1995, the Massachusetts Department of Public Utilities (the "MDPU") concluded the initial hearings in an electric industry restructuring docket and has issued an order requiring the three largest Massachusetts' electric utilities to file restructuring plans in February1996 and the remaining Massachusetts' electric utilities (including FG&E) to file restructuring plans three months after the MDPU issues orders regarding the first three plans.

CECo, E&H, and FG&E have all received regulatory approval for the Company's Energy BankTM program. Energy Bank is an innovative economic development program designed to bring low-cost energy to new and expanding industrial customers. With rates in the range of 5 cents/KWH this program offers electric energy at a price that is equal to the National Average industrial rate and is 40% below the current average industrial rate in New England. In addition to providing substantial benefits to new and expanding industrial customers in the form of very competitive and responsive market pricing, Energy Bank will also provide significant benefits to all the System's customers in the form of local economic development activity, reduced power costs, and lower costs to all customers through the issuance of Power Dividends.

The last formal regulatory hearings to increase base rates for Unitil's three retail operating subsidiaries occurred in 1985 for Concord Electric Company, 1984 for Fitchburg Gas and Electric Light Company and 1981 for Exeter & Hampton Electric Company. A majority of the System's operating revenues are collected under various periodic rate adjustment mechanisms including: fuel, purchased power, cost of gas and conservation program cost recovery mechanisms.

ENVIRONMENTAL

The Company continues to work with federal and state environmental agencies to assess the environmental contamination in the vicinity of former gas manufacturing sites operated by Fitchburg Gas and Electric Light Company, the Company's combination gas and electric operating subsidiary. Based on information developed over the last several years, it has been discovered that there is environmental contamination at a former gas manufacturing plant in Fitchburg, MA (the Sawyer Passway site). In December 1995 the Company accepted a Tier 1B permit from the Massachusetts Department of Environmental Protection (DEP) to address the site pursuant to the requirements of the Massachusetts Contingency Plan. Further investigations are necessary to assess the extent and nature of the contamination, and to evaluate potential remedies. Reports on those investigations are due to be filed with the DEP in early 1997. Because these investigations are at an early stage management cannot, at this time, predict the costs of future analysis and remediation. The costs of such assessments and any remedial action determined to be necessary will initially be funded from traditional sources of capital and recovered from customers under a rate recovery mechanism approved by the MDPU. The Company also has a number of liability insurance policies that may provide coverage for environmental remediation at this site.

NEW ACCOUNTING STANDARDS

Effective for fiscal years beginning after December 15, 1995, Statement of Financial Accounting Standards No. 121 (SFAS 121) "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of," will require the Company to review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. It is expected that the adoption of this standard will not have a material impact on the results of operations. financial condition, or cash flows of the Company.

Effective for fiscal 1996, SFAS No. 123, "Accounting for Stock-Based Compensation," is required to be implemented. This statement provides the Company with the choice to continue with its current method of accounting for stock-based compensation or to adopt a new "fair value" method contained in SFAS No. 123. The Company expects to continue with its current method of accounting for stock-based compensation and to provide the SFAS No. 123 required disclosures in the notes to the financial statements.

Item 8. Financial Statements and Supplementary Data

Report of Independent Certified Public Accountants
To the Shareholders of Unitil Corporation:

We have audited the accompanying consolidated balance sheets and consolidated statements of capitalization of Unitil Corporation and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of earnings, cash flows and changes in common stock equity for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Unitil Corporation and subsidiaries as of December 31, 1995 and 1994, and the consolidated results of their operations and their consolidated cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

We have also audited Schedule VIII of Unitil Corporation and subsidiaries as of December 31, 1995 and for the three years then ended included in Part IV Item 14(a)(2). In our opinion, the schedule presents fairly, in all material respects, the information required to be set forth therein.

GRANT THORNTON LLP

Boston, Massachusetts
February 9, 1996

CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 1995	1994
Utility Plant:		
Electric	$148,458,414	$142,311,415
Gas	27,220,705	25,652,522
Common	8,494,093	9,783,183
Construction Work in Progress	6,003,991	1,029,681
Utility Plant	190,177,203	178,776,801
Less: Accumulated Depreciation	60,682,742	57,203,799
Net Utility Plant	129,494,461	121,573,002
Other Property & Investments	42,448	137,698
Current Assets:		
Cash	3,397,931	3,810,123
Accounts Receivable - Less Allowance for Doubtful Accounts of $622,596 and $573,849	14,931,699	13,281,686
Materials and Supplies	2,275,865	2,089,979
Prepayments	434,727	408,701
Accrued Revenue	2,577,715	2,292,297
Total Current Assets	23,617,937	21,882,786
Deferred Assets:		
Debt Issuance Costs	885,258	955,931
Cost of Abandoned Properties	27,254,791	28,772,838
Prepaid Pension Costs	6,689,093	5,801,714
Other Deferred Assets	23,718,296	25,397,492
Total Deferred Assets	58,547,438	60,927,975
TOTAL	$211,702,284	$204,521,461

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

CAPITALIZATION AND LIABILITIES

	December 31, 1995	1994
Capitalization:		
Common Stock Equity	$63,894,789	$59,997,198
Preferred Stock, Non-Redeemable, Non-Cumulative	225,000	225,000
Preferred Stock, Redeemable, Cumulative	3,773,900	3,868,600
Long-Term Debt, Less Current Portion	62,211,000	65,288,231
Total Capitalization	130,104,689	129,379,029
Capitalized Leases, Less Current Portion	3,732,947	3,377,389
Current Liabilities:		
Long-Term Debt, Current Portion	1,294,000	292,090
Short-Term Debt	2,700,000	----
Accounts Payable	14,565,075	12,491,041
Dividends Declared and Payable	170,796	152,210
Refundable Customer Deposits	2,237,851	2,482,779
Taxes Accrued	216,596	(345,243)
Interest Accrued	1,425,876	1,376,477
Capitalized Leases, Current Portion	741,832	460,152
Accrued and Other Current Liabilities	2,202,096	2,546,878
Total Current Liabilities	25,554,122	19,456,384
Deferred Liabilities:		
Investment Tax Credits	1,803,821	2,006,168
Other Deferred Liabilities	9,763,878	9,212,872
Total Deferred Liabilities	11,567,699	11,219,040
Deferred Income Taxes	40,742,827	41,089,619
Commitments and Contingencies (Note 10)		
TOTAL	$211,702,284	$204,521,461

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

CONSOLIDATED STATEMENTS OF EARNINGS

	Year Ended December 31, 1995	1994	1993
Operating Revenues:			
Electric	$138,099,371	$134,096,627	$132,754,707
Gas	17,629,879	18,694,703	18,486,105
Other	940,954	624,560	368,010
Total Operating Revenues	156,670,204	153,415,890	151608822
Operating Expenses:			
Fuel and Purchased Power	92,346,024	90,342,737	90,485,320
Gas Purchased for Resale	10,522,742	11,139,311	11,094,848
Operation and Maintenance	22,824,218	21,903,619	21,010,303
Depreciation	6,315,613	6,129,617	5,949,072
Amortization of Cost of Abandoned Properties	1,518,047	1,605,640	1,528,873
Provisions for Taxes:			
Local Property and Other	4,784,109	4,384,032	3,779,459

Federal and State Income	4,134,826	4,156,479	3,694,573
Total Operating Expenses	142,445,579	139,661,435	137,542,448
Operating Income	14,224,625	13,754,455	14,066,374
Non-Operating Expenses	216,860	64,108	62,084
Income Before Interest Expense	14,007,765	13,690,347	14,004,290
Interest Expense, Net	5,638,969	5,652,148	6,404,223
Net Income	8,368,796	8,038,199	7,600,067
Less Dividends on Preferred Stock	283,749	291,543	297,577
Net Income Applicable to Common Stock	$8,085,047	$7,746,656	$7,302,490
Average Common Shares Outstanding	4,298,752	4,234,062	4,180,534
Earnings Per Average Common Share Share	$1.88	$1.83	$1.75

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

CONSOLIDATED STATEMENTS OF CAPITALIZATION

	December 31, 1995	1994
Common Stock Equity		
Common Stock, No Par Value (Authorized - 8,000,000 shares; Outstanding - 4,329,585 and 4,267,837 Shares)	$32,822,673	$31,751,984
Paid in Capital - Stock Options	1,299,177	1,062,198
Retained Earnings	29,772,939	27,183,016
Total Common Stock Equity	63,894,789	59,997,198
Preferred Stock		
CECo Preferred Stock, Non-Redeemable, Non-Cumulative: 6% Series, $100 Par Value	225,000	225,000
CECo Preferred Stock, Redeemable, Cumulative: 8.70% Series, $100 Par Value	215,000	230,000
E&H Preferred Stock, Redeemable, Cumulative:		
5% Series, $100 Par Value	98,000	105,000
6% Series, $100 Par Value	168,000	175,000
8.75% Series, $100 Par Value	344,300	344,300
8.25% Series, $100 Par Value	406,000	436,000
FG&E Preferred Stock, Redeemable, Cumulative:		
5.125% Series, $100 Par Value	1,076,600	1,108,100
8% Series, $100 Par Value	1,466,000	1,470,200
Total Preferred Stock	3,998,900	4,093,600
Long-Term Debt		
CECo First Mortgage Bonds:		
Series C, 6.75%, due January 15, 1998	1,584,000	1,584,000
Series H, 9.43%, due September 1, 2003	6,500,000	6,500,000
Series I, 8.49%, due October 14, 2024	6,000,000	6,000,000
E&H First Mortgage Bonds:		
Series E, 6.75%, due January 15, 1998	511,000	518,000
Series H, 8.50%, due December 15, 2002	910,000	1,015,000
Series J, 9.43%, due September 1, 2003	5,000,000	5,000,000
Series K, 8.49%, due October 14, 2024	9,000,000	9,000,000
FG&E Long-term Notes:		
Twelve year Notes, 8.55%, due March 31, 2004	15,000,000	15,000,000
Thirty year Notes, 6.75%, due November 30, 2023	19,000,000	19,000,000
Unitil Realty Promissory Note:		
10.59%, due October 25, 1998	----	1,963,321
Total Long-Term Debt	63,505,000	65,580,321
Less: Long-Term Debt, Current Portion	1,294,000	292,090
Total Long-Term Debt, Less Current Portion	62,211,000	65,288,231
Total Capitalization	$130,104,689	$129,379,029

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 1995	1994	1993
Cash Flows From Operating Activities:			
Net Income	$8,368,796	$8,038,199	$7,600,067
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	7,833,660	7,735,257	7,477,945
Deferred Taxes	(314,365)	257,630	(333,569)
Amortization of Investment Tax Credit	(202,347)	(210,676)	(216,698)
Amortization of Debt Issuance Costs	72,252	63,882	118,602
Provision for Doubtful Accounts	889,320	717,735	837,589
Loss on Taking of Land and Building	140,698	----	----
Changes in Assets and Liabilities:			
(Increase) Decrease In:			
Accounts Receivable	(2,539,334)	(281,549)	(301,328)
Materials and Supplies	(185,886)	437,485	96,069
Prepayments and Prepaid Pension	(913,405)	(704,790)	(567,381)
Accrued Revenue	(285,418)	1,354,192	(174,327)
Increase (Decrease) In:			
Accounts Payable	2,074,034	(949,245)	1,501,166
Refundable Customer Deposits	(244,928)	744,325	(160,621)

Taxes and Interest Accrued	611,238	(396,700)	(791,986)
Other, Net	1,713,521	(456,528)	(2,096,725)
Net Cash Provided by Operating Activities	17,017,836	16,349,217	12,988,803
Cash Flows From Investing Activities:			
Acqusition of Property, Plant & Equipment	(14,644,963)	(8,943,491)	(7,713,542)
Proceeds from Taking of Land & Building	2,000,000	0	0
Net Cash Used in Investing Activities	(12,644,963)	(8,943,491)	(7,713,542)
Cash Flows from Financing Activities:			
Proceeds From (Repayment of) Short-Term Debt	2,700,000	(8,400,000)	3,620,000
Proceeds From Issuance of Long-Term Debt	----	15,000,000	19,000,000
Repayment of Long-Term Debt	(2,075,321)	(6,797,773)	(23,662,436)
Dividends Paid	(5,760,286)	(5,514,283)	(5,076,146)
Issuance of Common Stock	1,070,689	1,108,976	1,016,590
Retirement of Preferred Stock	(94,700)	(104,100)	(78,800)
Repayment of Capital Lease Obligations	(625,447)	(594,209)	(608,569)
Net Cash Used in Financing Activities	(4,785,065)	(5,301,389)	(5,789,361)
Net Increase (Decrease) in Cash	(412,192)	2,104,337	(514,100)
Cash at Beginning of Year	3,810,123	1,705,786	2,219,886
Cash at End of Year	$3,397,931	$3,810,123	$1,705,786
Supplemental Cash Flow Information:			
Interest Paid	$5,942,933	$5,518,586	$6,633,002
Federal Income Taxes Paid	$3,435,000	$4,141,527	$3,930,700
Non-Cash Financing Activities:			
Capital Leases Incurred	$1,262,685	$237,243	$206,502

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

CONSOLIDATED STATEMENTS OF
CHANGES IN COMMON STOCK EQUITY

	Common Shares	Deferred Stock Option Plan	Retained Earnings	Total
Balance at January 01,1993	$29,626,419	$800,674	$22,180,481	$52,607,574
Net income for 1993			7,600,067	7,600,067
Dividends on preferred shares			(297,577)	(297,577)
Dividends on common shares- at an annual rate of $1.15 per share			(4,803,095)	(4,803,095)
Stock Option Plan		177,425		177,425
Exercised stock options - 6,966 shares	136,436	(67,207)		69,229
Issuance of 46,291 common shares (a)	880,154			880,154
Balance at December 31, 1993	30,643,009	910,892	24,679,876	56,233,777
Net income for 1994			8,038,199	8,038,199
Dividends on preferred shares			(291,543)	(291,543)
Dividends on common shares - at an annual rate of $1.24 per share			(5,243,516)	(5,243,516)
Stock Option Plan		180,475		180,475
Exercised stock options - 4,110 shares	71,166	(29,169)		41,997
Issuance of 58,229 common shares (a)	1,037,809			1,037,809
Balance at December 31, 1994	31,751,984	1,062,198	27,183,016	59,997,198
Net income for 1995			8,368,796	8,368,796
Dividends on preferred shares			(283,749)	(283,749)
Dividends on common shares - at an annual rate of $1.28 per share			(5,495,124)	(5,495,124)
Stock Option Plan		248,127		248,127
Exercised stock options - 3,291 shares	61,190	(11,148)		50,042
Issuance of 58,457 common shares (a)	1,009,499			1,009,499
Balance at December 31, 1995	$32,822,673	$1,299,177	$29,772,939	$63,894,789

(a) Shares sold and issued in connection with the Company's Dividend Reinvestment and Stock Purchase Plan and Employee 401(k) Tax Deferred Savings and Investment Plan (See Note 2).

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

Note 1: Summary of Significant Accounting Policies

Nature of Operations--- The Company is registered with the Securities and Exchange Commission (SEC) as a holding company (with subsidiaries providing electric service in New Hampshire, electric and gas service in Massachusetts and consulting services on energy related matters)under the Public Utility Holding Company Act of 1935 (1935 Act), and it and its subsidiaries are subject to the provisions of the 1935 Act. In addition, the Company and several of its wholly-owned utility operating subsidiaries; Concord Electric Company (CECo), Exeter & Hampton Electric Company (E&H), Fitchburg Gas and Electric Light Company (FG&E), and Unitil Power Corp. (Unitil Power), are subject to regulation by various other agencies. With respect to their rates and accounting; two of the retail subsidiaries, CECo and E&H, are subject to regulation by the New Hampshire Public Utilities Commission (NHPUC), FG&E is subject to regulation by the Massachusetts Department of Public Utilities (MDPU) and Unitil Power is regulated by the Federal Energy Regulatory Commission (FERC). CECo, E&H, FG&E and Unitil Power conform with generally accepted accounting principles, as applied in the case of regulated public utilities, and conform with the accounting requirements and ratemaking practices of the regulatory authorities having jurisdiction.

Principles of Consolidation --- Unitil Corporation (the Company) is the parent company of the Unitil System (the System). The consolidated financial statements include the accounts of the Company and all of its wholly-owned subsidiaries. All material inter-company balances and transactions have been eliminated in consolidation.

Use of Estimates --- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition --- The Company's operating subsidiaries record electric and gas operating revenues based upon the amount of electricity and gas delivered to customers through the end of the accounting period.

Depreciation --- Depreciation provisions for the Company's utility operating subsidiaries are determined on a group straight-line basis. Provisions for depreciation were equivalent to the following composite rates, based on the average depreciable property balances at the beginning and end of each year: 1995 - 3.48 percent; 1994 - 3.49 percent, and 1993 - 3.53 percent.

Amortization of Abandoned Properties --- FG&E is recovering a portion of its former investment in the Seabrook Nuclear Power Plant in rates to its' customers through a Seabrook Amortization Surcharge as ordered by the MDPU.

Federal Income Taxes --- Income taxes are accounted for in accordance with the Statement of Financial Accounting Standards No. 109 ("SFAS No. 109") "Accounting for Income Taxes." Under SFAS No. 109, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and are measured by applying tax rates applicable to the taxable years in which those differences are expected to reverse.

The Tax Reduction Act of 1986 eliminated investment tax credits. Investment tax credits generated prior to 1986 are being amortized, for financial reporting purposes, over the productive lives of the related assets.

New Accounting Standards --- Effective for fiscal years beginning after December 15, 1995, Statement of Financial Accounting Standards No. 121 (SFAS 121) "Accounting for the Impairment of Long-Lived Assets and For Long-Lived Assets to be Disposed of," will require a review of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. It is expected that the adoption of this standard will not have a material impact on the cash flows, financial condition or results of operations of the Company.

Effective for fiscal 1996, SFAS No. 123, "Accounting for Stock-Based Compensation," is required to be implemented. This statement provides the Company with the choice to continue with its current method of accounting for stock-based compensation or to adopt a new "fair value" method contained in SFAS No. 123. The Company expects to continue with its current method of accounting for stock-based compensation and to provide the SFAS No. 123 required disclosures in the notes to the financial statements.

Reclassifications --- Reclassification of amounts are made periodically to previously issued financial statements to conform with the current year presentation.

Note 2: Common Stock

New Shares Issued --- During 1995, the Company raised $1,009,499 of additional common equity capital through the issuance of 58,457 shares of common stock in connection with the Dividend Reinvestment and Stock Purchase Plan and Employee 401(k)Tax Deferred Savings and Investment Plan. The Dividend Reinvestment and Stock Purchase Plan provides participants in the plan a method for investing cash dividends on the Company's Common Stock and cash payments in additional shares of the Company's Common Stock. The Employee 401(k)Tax Deferred Savings and Investment Plan is described in Note 9 below. In 1994, the Company raised $1,037,809 of additional common equity capital through the issuance of 58,229 shares of common stock in connection with these plans.

The Company maintains a Key Employee Stock Option Plan (KESOP), which provides for the granting of options to key employees. The number of shares granted under this plan, as well as the terms and conditions of each grant , are determined by the Board of Directors, subject to plan limitations. All options granted under the KESOP expire within ten years of the grant date, and no option can be issued under the current plan after 1999. The plan provides for dividend equivalents on options granted, which are recorded as compensation expense. The total compensation expenses recorded by the Company with respect to this plan were $248,127, $180,475 and $177,425 for the years ended December 31, 1995, 1994 and 1993, respectively.

Share Option Activity of the KESOP is presented in the following table:

	1995	1994	1993
Beginning Options Outstanding & Exercisable	147,981	142,354	133,216
Options Granted	17,000	---	9,000
Dividend Equivalents Earned	11,672	9,737	8,404
Options Exercised	(3,291)	(4,110)	(6,966)
Options Canceled	---	---	(1,300)
Ending Options Outstanding & Exercisable	173,362	147,981	142,354
Range of Option Grant Price per Share	$12.11-$14.93	$12.11-$17.74	$12.11-$17.74

Restrictions on Retained Earnings ---Unitil Corporation has no restriction on the payment of common dividends from retained earnings. Its three retail distribution subsidiaries do have restrictions. Under the terms of the First Mortgage Bond Indentures, CECo and E&H had $5,402,238 and $8,031,846, respectively, available for the payment of cash dividends on their common stock at December 31, 1995. Under the terms of long-term debt Purchase Agreements, FG&E had $11,500,927 of retained earnings available for the payment of cash dividends on its common stock at December 31, 1995.

Note 3: Preferred Stock

Certain of the Unitil subsidiaries have redeemable Cumulative Preferred Stock outstanding and one subsidiary, CECo, has a Non-Redeemable, Non-Cumulative Preferred Stock issue outstanding. All such subsidiaries are required to offer to redeem annually a given number of shares of each series of Redeemable Cumulative Preferred Stock and to purchase such shares that shall have been tendered by holders of the respective stock. All such subsidiaries may redeem, at their option, the Redeemable Cumulative Preferred Stock at a given redemption price, plus accrued dividends.

The aggregate purchases of Redeemable Cumulative Preferred Stock during 1995, 1994 and 1993 were: 1995 - $94,700; 1994 - $104,100; and 1993 - $78,800. The aggregate amount of sinking fund requirements of the redeemable Cumulative Preferred Stock for each of the five years following 1995 are $206,000 per year.

Note 4: Long-Term Debt

On October 14, 1994, CECo arranged for the private placement, at par, of $6,000,000 of 30-year Series I First Mortgage Bonds, bearing a fixed annual interest rate of 8.49% and maturing in 2024. The proceeds of this financing were utilized to repay short-term indebtedness and to redeem two higher coupon long-term debt issues prior to their maturity. The redemption's included $930,000 of Series D First Mortgage Bonds, 8.70%, due November 15, 2001, and $1,500,000 of Series G First Mortgage Bonds, 9.85%, due October 15, 1997.

On October 14, 1994, E&H arranged for the private placement, at par, of $9,000,000 of 30-year Series K First Mortgage Bonds, bearing a fixed annual interest rate of 8.49% and maturing in 2024. The proceeds of this financing were utilized to repay short-term indebtedness and to redeem three higher coupon long-term debt issues prior to their maturity. The redemption's included $1,235,000 of Series F First Mortgage Bonds, 8.70%, due November 15, 2001, $930,000 of Series G First Mortgage Bonds, 8.875%, due April 1, 2004, and $1,400,000 of Series I First Mortgage Bonds, 9.85%, due October 15, 1997.

Under the terms of both CECo's Indenture of Mortgage and Deed of Trust and the supplemental indenture thereto relating to long-term debt, the sinking fund requirements of CECo's Series C Bonds may be satisfied by certifying to the Mortgage Trustee net additional property in lieu of making cash redemptions. In 1995 and 1994, CECo satisfied its requirements with respect to its Series C Bonds by certifying to the Mortgage Trustee net additional property. In 1995, sinking fund payments relating to long-term debt amounted to $112,000.

Certain of the loan agreements contain provisions which, among other things, limit the incurrence of additional long-term debt.

The aggregate amount of sinking fund requirements and normal scheduled redemptions for each of the five years following 1995 are: 1996-$1,294,000; 1997-$1,294,000; 1998-$4,307,000; 1999-$2,290,000, and 2000-$2,290,000.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. In management's opinion, the carrying value of the debt approximated its fair value at December 31, 1995 and 1994.

Note 5: Credit Arrangements

At December 31, 1995, the Company had unsecured committed bank lines for short-term debt aggregating $10,000,000 with three banks for which it pays commitment fees. At December 31, 1995, the unused portion of the committed credit lines outstanding was $7,300,000. The average interest rates on all short-term borrowings were 6.59% and 4.43% during 1995 and 1994, respectively.

Note 6: Leases

The Company's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their operations and office equipment. FG&E has a facility lease for twenty-two years which began in February 1981. The lease allows five, five-year renewal periods at the option of FG&E. The equipment leases include a twenty-five-year lease, which began on April 1, 1973, for a combustion turbine and a liquefied natural gas storage and vaporization facility. This lease provides for a ten-year renewal period at the option of FG&E. In addition, FG&E leases some equipment under operating leases.

The following schedule of the leased property under capital leases by major classes:

	Asset Balances at December 31,	
Classes of Utility Plant	1995	1994
Electric	$2,054,025	$2,054,025
Gas	726,329	726,329
Common	5,061,846	3,816,643
Gross Plant	7,842,200	6,596,997
Less: Accumulated Depreciation	3,367,421	2,759,456
Net Plant	$4,474,779	$3,837,541

The following is a schedule by years of future minimum lease payments and present value of net minimum lease payments under capital and operating leases as of December 31, 1995:

Year Ending December 31,	Capital	Operating
1996	$1,087,343	$228,727
1997	846,578	258,369
1998	583,106	226,174
1999	559,785	190,618
2000	545,498	189,912
2001 - 2005	1,776,339	47,478
Total Minimum Lease Payments	$5,398,649	$1,141,278
Less: Amount Representing Interest	923,870	
Present Value of Net Minimum	$4,474,779	

Lease Payments

Total rental expense charged to operations for the years ended December 31, 1995, 1994 and 1993 amounted to $447,000; $320,000; and $601,000, respectively.

Note 7: Income Taxes

The components of the Federal and State income tax provisions reflected in the accompanying consolidated statements of earnings for the years ended December 31, 1995, 1994 and 1993 were as follows:

	1995	1994	1993
Federal:			
Current	$3,959,976	$3,497,311	$3,633,205
Deferred	(298,192)	186,060	(179,080)
Amortization of Investment Tax Credits	(202,347)	(210,676)	(216,698)
Total Federal Tax Provision	3,459,437	3,472,695	3,237,427
State:			
Current	691,563	612,214	611,635
Deferred	(16,174)	71,570	(154,489)
Total State Tax Provision	675,389	683,784	457,146
Total Provision for Federal and State Income Taxes	$4,134,826	$4,156,479	$3,694,573

On January 1, 1993, the Company adopted the provisions of SFAS 109. The adoption of SFAS No. 109 had no material effect on net earnings for 1993. Federal Income Taxes have been provided as follows:

	Year Ended December 31,		
	1995	1994	1993
Current Federal Tax Provision			
Operating Income	$3,959,976	$3,497,311	$3,633,205
Amortization of Investment Tax Credits	(202,347)	(210,676)	(216,698)
Total Current Federal Tax Provision	3,757,629	3,286,635	3,416,507
Deferred Federal Tax Provision:			
Accelerated Tax Depreciation	545,233	590,655	528,500
Abandoned Properties	(578,255)	(611,620)	(582,378)
Allowance for Funds Used During Construction and Overheads	(73,191)	(73,192)	(73,192)
Post Retirement Benefits Other Than Pensions	(19,941)	(27,162)	(25,238)
Deferred Maintenance Cost and Miscellaneous	(86,178)	(122,382)	(89,471)
Percentage Repair Allowance	106,630	145,927	139,424
Unbilled Fuel	---	---	(172,226)
Deferred Advances	(482,112)	26,967	(95,877)
Deferred Pensions	289,622	256,867	191,378
Total Deferred Federal Tax Provision	(298,192)	186,060	(179,080)
Total Federal Tax Provision	$3,459,437	$3,472,695	$3,237,427

The differences between the Company's provisions for Federal Income Taxes and the provisions calculated at the statutory federal tax rate, expressed in percentages, are shown below:

	Year Ended December 31,		
	1995	1994	1993
Statutory Federal Income Tax Rate	34%	34%	34%
Income Tax Effects of:			
Investment Tax Credits	(2)	(2)	(2)
Donation of Appreciated Land	(1)	0	0
Federal Income Tax - Prior	(1)	0	(1)
Other, Net	(1)	(2)	(1)
Effective Federal Income Tax Rate	29%	30%	30%

At December 31, 1995, the Company has the following deferred tax assets and liabilities recorded for temporary differences which originated as a result of the application of the Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation"; a regulatory asset of approximately $22,400,000 which is included in Other Deferred Assets, a regulatory liability of approximately $7,500,000 which is included in Other Deferred Liabilities, and additional deferred tax liabilities of approximately $14,900,000 which are included in certain of the amounts listed below.

SFAS No. 109, adopted on January 1, 1993, requires the use of the asset and liability method of accounting for deferred income taxes on all temporary differences. The major temporary differences which give rise to deferred tax assets and liabilities at December 31, 1995, are as follows:

Deferred Income Taxes for the Year Ended December 31,

	1995	1994
Accelerated Depreciation	$23,971,624	$23,526,226
Abandoned Property	10,381,893	10,960,148
Contributions in Aid to Construction	(3,166,565)	(2,626,042)
Percentage Repair Allowance	1,599,813	1,517,573
Cathodic Protection	294,978	253,863
Retirement Loss	1,288,346	1,121,792
Deferred Pensions	2,303,456	2,091,056
AFUDC	78,878	96,211
Overheads	360,470	420,896
KESOP	(451,009)	(361,080)
Bad Debts	(235,785)	(217,220)
Accumulated Deferred (SFAS 109)	4,442,755	4,475,182
Other	(126,027)	(168,986)
Total Deferred Income Taxes	$40,742,827	$41,089,619

Note 8: Joint Ownership Units

FG&E is participating, on a tenancy-in-common basis with other New England utilities, in the ownership of three generating units. New Haven Harbor is a dual-fired oil-and-gas station, and Wyman Unit No. 4 is an oil-fired station. They have been in commercial operation since August 1975 and December 1978, respectively. Millstone Unit No. 3, a nuclear generating unit, has been in commercial operation since April 1986. Kilowatt-hour generation and operating expenses of the joint ownership units are divided on the same basis as ownership. FG&E's proportionate costs are reflected in the 1995 Consolidated Statements of Earnings. Information with respect to these units is set forth in the table below:

			Company's Share		
Joint Ownership Units	State	Proportionate Ownership %	Share of Total MW	Amount of Utility Plant in Service	Accumulated Depreciation
Millstone Unit No.3	CT	0.2170	2.50	$11,595,060	$3,155,675
Wyman Unit No.4	ME	0.1822	1.13	408,141	257,934
New Haven Harbor	CT	4.5000	20.12	7,065,274	4,802,423
			23.75	$19,068,475	$8,216,032

Note 9: Benefit Plans

Pension Plans --- Four of the Company's subsidiaries have Retirement and Pension plans and related Trust Agreements to provide retirement annuities for participating employees at age 65. These subsidiaries follow the provisions of Statement of Financial Accounting Standards No. 87, Employer's Accounting for Pensions (SFAS 87). The entire cost of the plans is borne by the respective subsidiaries.

Net periodic pension (income) cost for 1995, 1994 and 1993 included the following components:

	1995	1994	1993
Service Cost -- Benefits Earned During the Period	$616,016	$693,340	$645,226
Interest Cost on Projected Benefit Obligation	1,811,981	1,795,836	1,758,782
Expected Return on Plan Assets	(6,412,405)	(2,714,751)	(2,437,232)
Net Amortization and Deferral	3,652,029	(20,546)	(2,742)
Net Periodic Pension (Income) Cost	$(332,379)	$(246,121)	$(35,966)

The following table sets forth the plans' funded status at December 31, 1995, 1994 and 1993:

Projected Benefit Obligation:

	1995	1994	1993
Vested	$24,250,626	$19,970,389	$19,971,230
Non-Vested	148,106	331,910	149,810
Accumulated	24,398,732	20,302,299	20,121,040
Due to Recognition of Future Salary Increases	3,837,798	2,521,055	3,278,283
Total	28,236,530	22,823,354	23,399,323
Plan Assets at Fair Value	32,858,602	27,343,779	29,273,216
Funded Status	4,622,072	4,520,425	5,873,893
Unrecognized Net Loss (Gain)	1,736,643	953,653	(1,181,666)
Unrecognized Prior Service Cost	124,718	138,204	151,690
Unrecognized Transition Obligation	205,660	189,432	173,204
Prepaid Pension Cost	$6,689,093	$5,801,714	$5,017,121

Plan assets are invested in common stock, short-term investments and various other fixed income security funds.

The weighted-average discount rates used in determining the projected benefit obligation in 1995, 1994 and 1993 were 7.75%, 8.25%, and 7.75%, respectively, while the rate of increase in future compensation levels was 4.50 %, 4.50%, and 4.50%, respectively. The expected long-term rate of return on assets was 9.50% in each of the years 1995, 1994 and 1993.

Effective January 1, 1987, Unitil Service Corp. adopted a Supplemental Executive Retirement Plan (SERP). The SERP is an unfunded retirement plan with participation limited to executives selected by the Board of Directors. The cost associated with the SERP amounted to $60,000; $53,000; and $53,000 for the years ended December 31, 1995, 1994 and 1993, respectively.

Employee 401(k) Tax Deferred Savings Plan--- The Company sponsors a defined contribution plan ((under Section 401 (k) of the Internal Revenue Code)) covering substantially all of the Company's employees. Participants may elect to defer from 1% to 12% of current compensation to the plan. The Company matches contributions, with a maximum matching contribution of 3% of current compensation. Employees may direct the investment of their savings plan balances into a variety of investment options, including a Company common stock fund. Participants are 100% vested once completing three years of service in contributions made on their behalf. The Company's share of contributions to the plan were $308,454; $284,248; and $266,645 for the years ended December 31, 1995, 1994 and 1993, respectively.

Post-Retirement Benefits --- Effective as of January 1, 1993, the Company's subsidiaries significantly modified the duration of post-retirement health care benefits. From that date forward, all current retirees were offered such benefits only for an additional twelve-month period and all future retirees will be entitled to such benefits for a twelve-month period following their retirement. The Company's subsidiaries continue to provide life insurance coverage to retirees by making monthly premium payments to a life insurer. Life insurance and limited health care post-retirement benefits required the Company to adopt the provisions of Statement of Financial Accounting Standard No. 106,"Employers' Accounting for Post-retirement Benefits Other than Pensions --- (SFAS 106). For 1995 and 1994, the costs associated with providing health care and life insurance benefits under this arrangement were $86,522 and $82,625. This statement requires accrual accounting for postretirement benefits during the employee's years of service with the Company and the recognition of the actuarially determined total postretirement benefit obligation earned by existing retirees. At December 31, 1995 and 1994, the accumulated postretirement benefit obligation (transition obligation) was approximately $364,000 and $385,000, respectively, under SFAS 106. This obligation is being recognized on a delayed basis over the average remaining service period of active participants and such period will not exceed 20 years. The Company has omitted certain disclosures relating to SFAS 106, as the accumulated post-retirement benefit obligation (transition obligation) is not material.

Note 10: Commitments and Contingencies

Environmental Matters --- The Company continues to work with federal and state environmental agencies to assess the environmental contamination in the vicinity of former gas manufacturing sites operated by Fitchburg Gas and Electric Light Company, the Company's combination gas and electric operating subsidiary. Based on information developed over the last several years, it has been discovered that there is environmental contamination at a former gas manufacturing plant in Fitchburg, MA (the Sawyer Passway site). In December 1995 the Company accepted a Tier 1B permit from the Massachusetts Department of Environmental Protection (DEP) to address the site pursuant to the requirements of the Massachusetts Contingency Plan. Further investigations are necessary to assess the extent and nature of the contamination, and to evaluate potential remedies. Reports on those investigations are due to be filed with the DEP in early 1997. Because these investigations are at an early stage management cannot, at this time, predict the costs of future analysis and remediation. The costs of such assessments and any remedial action determined to be necessary will initially be funded from traditional sources of capital and recovered from customers under a rate recovery mechanism approved by the MDPU. The Company also has a number of liability insurance policies that may provide coverage for environmental remediation at this site.

Regulatory --- At the state level in both New Hampshire and Massachusetts, and at the federal level, recent regulatory activity has focused on determining how to deregulate the retail sale of electricity to allow for a more competitive market. As the trend continues towards competition in the electric utility industry, Unitil has actively participated in industry, legislative and regulatory proceedings on the issues of competition and industry restructuring at both the federal and state levels, favoring a reasonable and orderly transition to competition and more choice for all customers.
Both the New Hampshire Public Utilities Commission (the "NHPUC") and the New Hampshire Legislature have been involved in discussions and analysis relative to competition in the industry. Early in 1995, the NHPUC issued an order in response to a petition by a power marketer seeking to sell to certain industrial customers of an investor-owned New Hampshire utility. In that order the NHPUC ruled that utilities in New Hampshire do not have exclusive franchise territories as a matter of law and directed the marketer to seek a declaratory order from the Federal Energy Regulatory Commission regarding its proposed transactions. This decision has been appealed to the New Hampshire Supreme Court. In June 1995 New Hampshire Senate Bill 168 (SB 168), was signed into law. SB 168 establishes a legislative committee to consider changes in the structure of the electric utility industry. The act also directs the NHPUC to begin a retailcompetitionpilot program and to act within five months to establish standards for utility discounts to industrial customers. The legislative committee and its subcommittees met regularly during the summer and fall of 1995, and several members sponsored new legislation, including legislation currently being debated that would require utilities to file restructuring plans with the NHPUC by June 1996, with statewide retail competition by June 1998. The NHPUC has issued its preliminary guidelines for the retail wheeling pilot program incorporating implementation by May 1996 and is expected to issue its final guidelines in March 1996. The NHPUC issued its final guidelines on discount rates for industrial customers in November 1995. The NHPUC aproved the Company's Energy Bank program in accordance with these guidelines in December 1995.
During 1995, the Massachusetts Department of Public Utilities (the "MDPU") concluded the initial hearings in an electric industry restructuring docket and has issued an order requiring the three largest Massachusetts' electric utilities to file restructuring plans in February1996 and the remaining Massachusetts' electric utilities (including FG&E) to file restructuring plans three months after the MDPU issues orders regarding the first three plans.
CECo, E&H, and FG&E have all received regulatory approval for the Company's Energy Bank program. Energy Bank is an innovative economic development program designed to bring low-cost energy to new and expanding industrial customers. With rates in the range of 5 cents/KWH this program offers electric energy at a price that is equal to the National Average industrial rate and is 40% below the current average industrial rate in New England. In addition to providing substantial benefits to new and expanding industrial customers in the form of very competitive and responsive market pricing, Energy Bank will also provide significant benefits to all the System's customers in the form of local economic development activity, reduced power costs, and lower costs to all customers through the issuance of Power Dividends.
The last formal regulatory hearings to increase base rates for Unitil's three retail operating subsidiaries occurred in 1985 for Concord Electric Company, 1984 for Fitchburg Gas and Electric Light Company and 1981 for Exeter & Hampton Electric Company. A majority of the System's operating revenues are collected under various periodic rate adjustment mechanisms including: fuel, purchased power, cost of gas and conservation program cost recovery mechanisms.

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

Purchased Power and Gas Supply Contracts --- FG&E and Unitil Power have commitments under long-term contracts for the purchase of electricity and gas from various suppliers. Generally, these contracts are for fixed periods and require payment of demand and energy charges. Total costs under these contracts are included in Electricity and Gas Purchased for Resale in the Consolidated Statements of Earnings. These costs are normally recoverable in revenues under various cost recovery mechanisms.

The status of the electric purchased power contracts at December 31, 1995, was as follows:

Unit Fuel Type [1]	1995 Energy MW Entitlement	Purchased (MWH's)	Contract End-Date	Est. Annual Min. Payments Which Cover Future Debt Service Reqs. ($000)
		Non-Utility Purchases		
Unitil Power				
Refuse	6.0 [2]	45,546	2003	None
System	9.5 [7]	2,368	1995	None
System	9.5 [7]	2,047	1995	None
Gas	1.5	7,558	2012	None
Coal	20.0	68,156	2009	None
System	18.3 [8]	804	2002	None
FG&E				
Wood	14.0	99,659	2012	None
Hydro	3.0	18,328	2012	None
		Utility Purchases		
Unitil Power				
Nuclear	25.5	185,505	1998	None
Oil/Gas	23.0	52,797	1998	None
Hydro	8.9		2001	$1,080 [3]
Various	16.0 [2]	44,426	1999	None
Coal/Oil	15.0 [2]	65,837	2005	None
Oil/Gas	25.0	86,309	1996	None
Gas	12.0 [2]	56,750	2010	$2,776 [4]
Nuclear	3.0 [2]	7,092	2005	None
Nuclear	2.0 [2]	4,307	2005	None
Coal/Oil	9.3 [2]	23,362	2005	None
Nuclear	1.9 [2]	18,035	2013	None
Nuclear	10.0	72,881	2010	None
Oil	5.0 [2]	11,994	2005	None
Oil	5.0 [2]	12,766	2005	None
System	8.0	12,777	1996	None
Oil/Gas	10.0 [2]	8,607	2008	None
Various	[5]	66,959		None
Various	[6]	171,770		None
FG&E				
Nuclear	10.0	74,780	1996	None
Hydro	2.1		1996	$73 [3]
Hydro	3.2		2001	$426 [3]
Oil/Gas	20.0	69,445	2015	None
System	15.0 [2]	27,582	2001	None
Various	[5]	86,048		None
Various	[6]	108,967		None

Notes:
[1] Total Annual Cost of Purchase Power Contracts are included on Consolidated Statement of Earnings.
[2] Capacity amounts vary over time. Represents maximum capacity purchased under the contract.
[3] Total support charges including debt service requirements.
[4] Total estimated 1995 annualized capacity payments, including debt service requirements.
[5] Short-term purchases of a month or less in duration.
[6] Net energy purchases from NEPOOL.
[7] Contract Ended 6/30/95 and was replacted by [8].
[8] Replacement for [7].

Note 11: Segment Information

The following additional information is presented about the electric and gas operations of the Company:

	1995	1994	1993
Operating Revenues	$138,099,371	$134,096,627	$132,754,707
Operating Income Before Income Taxes	$16,781,348	$15,884,879	$15,248,660
Identifiable Assets as of December 31	$174,269,584	$171,757,678	$169,360,726
Depreciation	$5,504,701	$5,359,212	$5,215,489
Construction Expenditures	$11,846,778	$7,364,344	$6,849,060

Gas Operations	1995	1994	1993
Operating Revenues	$17,629,879	$18,694,703	$18,486,105
Operating Income Before Income Taxes	$1,578,103	$2,026,055	$2,512,287
Identifiable Assets as of December 31	$30,013,418	$28,181,365	$27,168,106
Depreciation	$810,912	$770,405	$733,583
Construction Expenditures	$2,007,922	$1,816,390	$1,070,984

Total Company	1995	1994	1993
Electric and Gas Operating Revenues	$155,729,250	$152,791,330	$151,240,812
Other Revenue	940,954	624,560	368,010
Total Operating Revenues	$156,670,204	$153,415,890	$151,608,822
Operating Income Before Income Taxes	$18,359,451	$17,910,934	$17,760,947
Income Tax Expense	(4,097,161)	(4,137,430)	(3,687,538)
Non-Operating Income	171,089	62,887	50,145
Net Interest and Other Expenses	(6,064,583)	(5,798,192)	(6,523,487)
Net Income	$8,368,796	8,038,199	7,600,067
Dividend Requirements on Preferred Stock	283,749	291,543	297,577
Net Income Applicable to Common Stock	$8,085,047	$7,746,656	$7,302,490
Identifiable Assets as of December 31	$204,283,002	$199,939,043	$196,528,832
Unallocated Assets	7,419,282	4,582,418	4,979,923
Total Assets as of December 31	$211,702,284	$204,521,461	$201,508,755
Depreciation	$6,315,613	$6,129,617	$5,949,072
Construction Expenditures	$14,644,963	$8,943,491	$7,713,542

Expenses used to determine operating income before taxes are charged directly to either segment or are allocated in accordance with factors contained in cost of service studies which were included in rate applications approved by the NHPUC and MDPU. Assets allocated to each segment are based upon specific identification of such assets provided by Company records. Assets not so identified represent primarily working capital items and real property.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this Item is set forth in Exhibit 99.1 on pages 2 through 6 of the 1996 Proxy Statement.

Item 11. EXECUTIVE COMPENSATION

Information required by this Item is set forth in Exhibit 99.1 on pages 8 through 12 of the 1996 Proxy Statement.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this Item is set forth in Exhibit 99.1 on pages 2 through 4 of the 1996 Proxy Statement and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) (1) and (2) -

LIST OF FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

The following financial statements are included herein under Part II, Item 8, Financial Statements and Supplementary Data.

Report of Independent Certified Public Accountants

Consolidated Balance Sheets - December 31, 1995 and 1994

Consolidated Statements of Earnings - for the years ended December 31, 1995, 1994 and 1993

Consolidated Statements of Capitalization - December 31, 1995 and 1994

Consolidated Statements of Cash Flows for the years ended December 31, 1995, 1994 and 1993

Consolidated Statements of Changes in Common Stock Equity - for the years ended December 31, 1995, 1994 and 1993

Notes to Consolidated Financial Statements

The following consolidated financial statement schedules of the Company and subsidiaries are included in Item 14(d):

Report of Independent Certified Public Accountants

Schedule VIII Valuation and Qualifying Accounts for December 31, 1995; 1994 and 1993

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions, are inappropriate, or information required is included in the financial statements or notes thereto and, therefore, have been omitted.

(3) - List of Exhibits

Exhibit No.	Description of Exhibit	Reference*
3.1	Articles of Incorporation of the Company.	Exhibit 3.1 to Form S-14 Registration Statement 2-93769
3.2	Articles of Amendment to the Articles of Incorporation filed on March 4, 1992 and April 30, 1992.	Exhibit 3.2 to Form 10-K for 1992
3.3	By-Laws of the Company.	Exhibit 3.2 to Form S-14 Registration Statement 2-93769
3.4	Articles of Exchange of Concord Electric Company (CECo), Exeter & Hampton Electric Company (E&H) and the Company	Exhibit 3.3 to 10-K for 1984
3.5	Articles of Exchange of CECo, E&H, and the Company - Stipulation of the Parties Relative to Recordation and Effective Date.	Exhibit 3.4 to Form 10-K for 1984
3.6	The Agreement and Plan of Merger dated March 1, 1989 among the Company, Fitchburg Gas and Electric Light Company (FG&E) and UMC Electric Co.,Inc.(UMC).	Exhibit 25(b) to Form 8-K dated March 1, 1989
3.7	Amendment No. 1 to The Agreement and Plan of Merger dated March 1, 1989 among the Company, FG&E and UMC	Exhibit 28(b) to Form 8-K, dated December 14, 1989
4.1	Indenture of Mortgage and Deed of Trust dated July 15, 1958 of CECo relating to First Mortgage Bonds, Series B, 4 3/8% due September 15, 1988 and all series unless supplemented.	**
4.2	First Supplemental Indenture	

	dated January 15, 1968 relating to CECo's First Mortgage Bonds, Series C, 6 3/4% due January 5, 1998 and all additional series unless supplemented.	**
4.3	Second Supplemental Indenture dated November 15, 1971 relating to CECo's First Mortgage Bonds, Series D, 8.70% due November 15, 2001 and all additional series unless supplemented.	**
4.4	Fourth Supplemental Indenture dated March 28, 1984 amending CECo's Original First Mortgage Bonds Indenture, and First, Second and Third Supplemental Indentures and all additional series unless supplemented.	**
4.5	Fifth Supplemental Indenture dated June 1, 1984 relating to CECo's First Mortgage Bonds, Series F, 14 7/8% due June 1, 1999 and all additional series unless supplemented.	**
4.6	Sixth Supplemental Indenture dated October 29, 1987 relating to CECo's First Mortgage Bonds, Series G, 9.85% due October 15, 1997 and all additional series unless supplemented.	Exhibit 4.6 to Form 10-K for 1987
4.7	Seventh Supplemental Indenture dated August 29, 1991 relating to CECo's First Mortgage Bonds, Series H, 9.43% due September 1, 2003 and all additional series unless supplemented.	Exhibit 4.7 to Form 10-K for 1991
4.8	Eighth Supplemental Indenture dated October 14, 1994 relating to CECo's First Mortgage Bonds, Series I, 8.49% due October 14, 2024 and all additional series unless supplemented.	Exhibit 4.8 to Form 10-K for 1994
4.9	Indenture of Mortgage and Deed of Trust dated December 1, 1952 of E&H relating to all series unless supplemented.	Exhibit 4.5 to Registration Statement 2-49218
4.10	Third Supplemental Indenture dated June 1, 1964 relating to E&H's First Mortgage Bonds, Series D, 4 3/4% due June 1, 1994 and all additional series unless supplemented.	Exhibit 4.5 to Registration Statement 2-49218
4.11	Fourth Supplemental Indenture dated January 15, 1968 relating to E&H's First Mortgage Bonds, Series E, 6 3/4% due January 15, 1998 and all additional series unless supplemented.	Exhibit 4.6 to Registration Statement 2-49218
4.12	Fifth Supplemental Indenture dated November 15, 1971 relating to E&H's First Mortgage Bonds, Series F, 8.70% due November 15, 2001 and all additional series unless supplemented.	Exhibit 4.7 to Registration Statement 2-49218
4.13	Sixth Supplemental Indenture dated April 1, 1974 relating to E&H's First Mortgage Bonds, Series G, 8 7/8% due April 1, 2004 and all additional series unless supplemented.	**
4.14	Seventh Supplemental Indenture dated December 15, 1977 relating to E&H's First Mortgage Bonds, Series H, 8.50% due December 15, 2002 andall additional series unless supplemented.	Exhibit 4 to Form 10-K for 1977 (File No. 0-7751)
4.15	Eighth Supplemental Indenture dated October 29, 1987 relating to E&H's First Mortgage Bonds, Series I, 9.85% due October 15, 1997 and all additional series unless supplemented.	Exhibit 4.15 to Form 10-K for 1987

4.16	Ninth Supplemental Indenture dated August 29, 1991 relating to E&H's First Mortgage Bonds, Series J, 9.43% due September 1, 2003 and all additional series unless supplemented.	Exhibit 4.18 to Form 10-K for 1991
4.17	Tenth Supplemental Indenture dated October 14, 1994 relating to E&H's First Mortgage Bonds, Series K, 8.49% due October 14, 2024 and all additional series unless supplemented.	Exhibit 4.17 to Form 10-K for 1994
4.18	Bond Purchase Agreement dated August 29, 1991 relating to E&H's First Mortgage Bonds, Series J Form 10-K 9.43% due September 1, 2003	Exhibit 4.19 to for 1991
4.19	Purchase Agreement dated March 20, 1992 for the 8.55% Senior Notes due March 31, 2004	Exhibit 4.18 to Form 10-K for 1993
4.20	Note Agreement dated November 30, 1993 for the 6.75% Notes due November 30, 2023	Exhibit 4.18 to Form 10-K for 1993
4.21	First Mortgage Loan Agreement dated October 24, 1988 with an Institutional Investor in connection with Unitil Realty Corp.'s acquisition of the Company's facilities in Exeter,New Hampshire.	Exhibit 4.16 to Form 10-K for 1988
10.1	Labor Agreement effective June 1, 1994 between CECo and The International Brotherhood of Electrical Workers, Local Union No. 1837	Exhibit 10.1 to Form 10-K for 1994
10.2	Labor Agreement effective June 25, 1995 between E&H and The International Brotherhood of Electrical Workers, Local Union No. 1837, Unit 1.	Filed herewith
10.3	Labor Agreement effective May 1, 1994 between FG&E and The Brotherhood of Utility Workers of New England, Inc., Local Union No. 340.	Exhibit 10.3 to Form 10-K for 1994
10.4	Unitil System Agreement dated June 19, 1986 providing that Unitil Power will supply wholesale requirements electric service to CECo and E&H	Exhibit 10.9 to Form 10-K for 1986
10.5	Supplement No. 1 to Unitil System Agreement providing that Unitil Power will supply wholesale requirements electric service to CECo and E&H.	Exhibit 10.8 to Form 10-K for 1987
10.6	Transmission Agreement Between Unitil Power Corp. and Public Service Company of New Hampshire, Effective November 11, 1992	Exhibit 10.6 to Form 10-K for 1993
10.7	Form of Severance Agreement dated February 21, 1989, between the Company and the persons named in the schedule attached thereto.	Exhibit 10.55 to Form 8 dated April 12, 1989
10.8	Key Employee Stock Option Plan effective as of January 17, 1989.	Exhibit 10.56 to Form 8 dated April 12, 1989
10.9	Unitil Corporation Key Employee Stock Option Plan Award Agreement.	Exhibit 10.63 to Form 10-K for 1989
10.10	Unitil Corporation Management Performance Compensation Program.	Exhibit 10.94 to Form 10-K/A for 1993
10.11	Unitil Corporation Supplemental Executive Retirement Plan effective as of January 1, 1987.	Exhibit 10.95 to Form 10-K/A for 1993
11.1	Statement Re Computation in Support of Earnings Per Share for the Company	Filed herewith
12.1	Statement Re Computation in Support of Ratio of Earnings to Fixed Charges for the Company.	Filed herewith
21.1	Statement Re Subsidiaries of Registrant.	Filed herewith

27.0	Financial Data Schedule	Filed herewith
28.1	Form 11-K Annual Report of the UNITIL Corporation Tax Deferred Savings and Investment Plan for the year ended December 31, 1995	Filed herewith
99.1	1995 Proxy Statement	Filed herewith

* The exhibits referred to in this column by specific designations and dates have heretofore been filed with the Securities and Exchange Commission under such designations and are hereby incorporated by reference.

** Copies of these debt instruments will be furnished to the Securities and Exchange Commission upon request.

(b) Report on Form 10-K
No reports on Form 8-K were filed during the fourth quarter of the year ended December 31, 1995.

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our reports dated February 9, 1996, accompanying the consolidated financial statements and schedules incorporated in the Annual Report of Unitil Corporation and subsidiaries on Form 10-K for the year ended December 31, 1995. We hereby consent to the incorporation by reference of said report in the Registration Statements of Unitil Corporation and subsidiaries on Form S-3 and on Form S-8.

GRANT THORNTON LLP

Boston, Massachusetts
March 28, 1996

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Unitil Corporation

Date March 11, 1996

By Peter J. Stulgis
Peter J. Stulgis
Chairman of the Board of Directors, and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
Peter J. Stulgis Peter J. Stulgis (Chairman of the Board of Directors and Chief Executive Officer)	Principal Executive Officer; Director	March 11, 1996
Michael J. Dalton Michael J. Dalton (President and Chief Operating Officer)	Principal Operating Officer; Director	March 11, 1996
Gail A. Siart Gail A. Siart (Treasurer and Chief Financial Officer)	Principal Financial Officer	March 11, 1996
Douglas K. MacDonald Douglas K. Macdonald	Director	March 11, 1996
J. Parker Rice, Jr. J. Parker Rice, Jr.	Director	March 11, 1996
Charles H. Tenney III Charles H. Tenney III	Director	March 11, 1996
William W. Treat William W. Treat	Director	March 11, 1996
W. William Vanderwolk, Jr. W. William VanderWolk, Jr.	Director	March 11, 1996
J. D. Wheeler J. D. Wheeler	Director	March 11, 1996
Franklin Wyman, Jr. Franklin Wyman, Jr.	Director	March 11, 1996

SCHEDULE VIII.

UNITIL CORPORATION

VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts(A)	Deductions from Reserves(B)	Balance at End of Period
Year Ended December 31, 1995					
Reserves Deducted from A/R					
Electric	504,790	627,197	170,563	812,278	490,272
Gas	69,059	254,387	49,271	240,393	132,324
	573,849	881,584	219,834	1,052,671	622,596
Year Ended December 31, 1994					
Reserves Deducted from A/R					
Electric	510,853	552,905	193,202	752,170	504,790
Gas	70,402	157,098	58,714	217,155	69,059
	581,255	710,003	251,916	969,325	573,849
Year Ended December 31, 1993					
Reserves Deducted from A/R					
Electric	461,048	654,959	154,355	759,509	510,853
Gas	95,008	152,720	54,733	232,059	70,402
	556,056	807,679	209,088	991,568	581,255

(A) Collections on Accounts Previously Charged Off

(B) Bad Debts Charged Off

A three year Agreement made and entered into this 25th day of June, 1995 by and between EXETER & HAMPTON ELECTRIC COMPANY, a New Hampshire corporation hereinafter referred to as the "Company," and LOCAL UNION NO. 1837, Unit #1 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, and the EMPLOYEES OF THE COMPANY who have designated Local Union No. 1837, Unit #1, of the International Brotherhood of Electrical Workers to act for them as their collective bargaining agent, all hereinafter referred to as the "Union,"

WHEREAS, the Union represents a majority of the employees of the Company in the Line Department (including lineworkers, utility plant inspector, stock and plant clerks),

Meter Department and meter readers and has been designated by said majority to be the exclusive representative of all employees of the said departments for the purpose of collective bargaining in respect to rates of pay, wages, hours of work, and other conditions of employment and,

WHEREAS, both the Company and the Union desire to promote harmony and efficiency in the working forces so that the employees and the Company may obtain mutual economic advantage consistent with the duty of the Company, as a public utility, at all times to provide an adequate and uninterrupted supply of electric service in the territory and communities which it serves,

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, it is agreed as follows:

ARTICLE I: RECOGNITION OF UNION

The Company recognizes the Union to be the exclusive representative of all the employees in the Line, Plant Records and Inspection, Meter, and Stores Departments holding the positions set forth on the attached "Schedule Of Wages," for the purposes of collective bargaining.

ARTICLE II

A. Union Security

1. All employees who are at present members of the Union or may hereafter become members of the Union shall remain members in good standing in the Union during the term of this Agreement as a condition of their employment by the Company. New employees covered by the Agreement shall be required to apply for membership in the Union at the end of ninety (90) days of continuous employment and remain members in good standing in the Union as a condition of their continued employment during the term of the Agreement and the Union agrees to accept such new employees into membership in the Union in accordance with its By-Laws. The term "member in good standing" is understood to be a Union member whose dues are paid in accordance with the By-Laws and Constitution of the Union.

2. The Company shall not use outside contractors to perform work regularly done by its regular employees if so doing would result in any regular employee being discharged, laid off, or transferred to another job.

B. No Discrimination

The Company and the Union agree that the operation or application of various provisions of the Agreement shall in no way serve to discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment or otherwise affecting status as an employee because of such individual's age, race, color, creed, sex or national origin.

C. Safety

1. The Company will continue to make reasonable regulations for the safety and health of its employees during their hours of employment. The Company's Safety Program shall provide for the involvement of the Union in its various aspects, including courses of action to avoid personal injury and damage to equipment, the proper use of materials, review of safety instructions, accidents, first aid measures, and to provide input through the Company Safety Committees for modification and/or adoption of safety instructions.

2. Whenever an Accident Investigation Report is made, as to an accident in which an employee represented by the Union is involved, the employee and the Chief Steward will receive a copy of the Investigation Report.

D. Payroll Deductions for Union Dues

The Company agrees to make weekly payroll deductions for Union dues upon written authorization of employees who are Union members with their signatures properly witnessed and to forward monthly the amounts so deducted to the Union.

ARTICLE III: WAGES AND HOURS

A. Wages

1. The hereto attached Schedule of Wages shall be effective during the life of this Agreement.

2. The Company may hire new employees in any job classification at any rate of pay down to 15% below the straight-time hourly rate for such job classification as shown on the attached Schedule of Wages; provided, however, that if retained in service, the employee must be increased to the straight time hourly rate of pay for the job classification within six (6) months of the date of hire or at such earlier date that the employee becomes fully qualified to perform the duties of the job classification.

3. An employee promoted to another job classification will be paid during the first six (6) months in the new job classification at an hourly rate which is the average of the rates shown on the attached Schedule of Wages for the employee's prior job classification and the new job classification.

4. The hourly rate for the Lead Lineworker job classification is set by adding one ($1.00) dollar to the Lineworker-First Class hourly rate.

5. The hourly rate for Lineworkers when performing 34.5 kV rubber gloving is set by adding one dollar ($1.00) per hour to the similar lineworker's wage. If assigned this higher wage rate for two (2) hours or more, the employee shall receive this rate for the normal eight (8) hours of the day.

6. The hourly rate for Utility Lineworkers and Lineworkers temporarily filling the position is set by adding forty ($.40) cents per hour to the similar Lineworker's hourly rate.

7. The hourly rate for Utility Clerks or Assistant Utility Clerks is set by adding forty ($.40) cents per hour to the similar clerks rate.

8. The hourly rate for Lead Meter Mechanic job classification is set by adding one ($1.00) dollar to the Meter Mechanic Class I hourly rate.

B. Working Hours

1. The normal work week shall be forty (40) hours, and the normal work day shall be eight (8) hours, 7 AM to 3:30 PM, Monday through Friday, with one-half hour out for lunch, the normal lunch period being from 12 noon to 12:30 PM. These hours do not apply to the Utility Lineworker or to the Utility Clerk except during training periods. Employees working off the road while constructing, maintaining, or patrolling transmission lines may, by mutual agreement, take a 20 minute lunch break and will be paid overtime for the normal 30 minute lunch period at the appropriate rate.

2. Utility Lineworkers shall rotate shifts equally on a monthly cycle. Other shift rotations may be agreed to by management, provided the cycles are of equal duration.

   a. The normal work week of the Utility Lineworker on Shift A shall be forty (40) hours and the normal work day shall be eight (8) hours on Tuesday, Wednesday, Thursday, and Friday from 7:00 AM to 3:30 PM with one-half hour for lunch from 12:00 noon to 12:30 PM and, on Saturday the normal work day shall be from 7:30 AM to 3:30 PM.

   b. The normal work week of the Utility Lineworker on Shift B shall be forty (40) hours and the normal work day shall be eight (8) hours on Tuesday, Wednesday, Thursday, Friday, and Saturday from 3:00 PM to 11:00 PM.

3. The normal work week of the Utility Clerk shall be forty (40) hours and the normal work day shall be eight (8) hours on Monday through Friday, from 2:00 PM to 10:00 PM. The normal work week of the Assistant Utility Clerk shall be the regular 7:00 AM to 3:30 PM work day, Monday through Friday.

C. Standby Clause

One qualified lineworker will be assigned to standby duty each week during the year. Standby duty consists of a qualified lineworker remaining within reach of a telephone or pager so that an employee on standby duty may be notified to report for work in cases of emergency outside of regularly scheduled working hours. Standby duty does not require any interruption of employee's normal life except to the extent of making arrangements so that the employee can be reached by telephone or pager within a reasonable driving time from the place the employee normally reports for work.

1. Standby duty shall be for the hours beginning at 3:30 PM Friday extending through the following Friday and ending at 7:00 AM Monday. Employees assigned to standby duty shall be paid fourteen (14) hours straight-time pay, plus three (3) hours straight-time pay for a week in which a holiday falls and the Lineworker is on standby the full twenty-four (24) hours of that holiday. The hours beginning 7:00 AM Friday and ending 11:00 PM Saturday will be excluded from the second Lineworkers standby.

D. Overtime

1. Double time shall be paid for all hours worked on Sunday and holidays and time and one-half paid for all other hours worked outside of the normal work day or week.

2. When called out from their homes at time other than regular working hours employees shall receive an amount not less than that equal to four (4) hours straight-time pay when called out before midnight, and an amount not less than that equal to six (6) hours straight-time pay when called out after midnight. However, these call out minimums shall not apply when the hours worked are concurrent or connects with the employees beginning or end of their normal working hours.
   Time will begin immediately upon traveling to report to work and end upon returning home or their first stop upon being released from work not to exceed thirty (30) minutes each way unless such time is continuous with the regular work day or employee takes meal time while in route. Employees are expected to be fair and reasonable when charging for travel time.

3. When practicable, overtime work will be distributed equally among all employees of the department concerned. All overtime shall be included for the purposes of tracking employee unscheduled and scheduled overtime work. The Company shall not, however, be required to schedule overtime or to modify overtime schedules to accommodate employees whose normal work week is other than 7:00 AM to 3:30 PM, Monday through Friday.

4. Employees assigned to work on planned weekend overtime will be notified as to the hours to be worked on the immediately preceding Friday by 3:30 PM, but only after being alerted on the immediately preceding Thursday of the anticipated Saturday work. The above mentioned Saturday planned weekend overtime relates to normal Company work and not customer related requests or other unforeseen circumstances.
   In the event of inclement weather, employees shall be dismissed immediately and if this dismissal occurs before or at the first half hour of work, employees shall be paid four (4) hours at straight time pay. If dismissal due to weather should take place after the first half hour of work the employees shall receive the greater of, four hours at straight pay or time and one half for hours worked.

5. The Company reserves the right to limit and assign the number of employees to any planned and scheduled overtime provided the current overtime list is followed.

6. If a holiday falls on one (1) of the first five (5) days that an employee is regularly scheduled to work during a payroll week, in addition to holiday pay he will receive double time for each hour worked.

7. If an employee is required to work sixteen (16) or more consecutive hours, a period of eight (8) hours off will be allowed before returning to work unless an emergency arises which makes it necessary for the Company to call the employee back to work before the expiration of the eight-hour (8) period. Employees working over sixteen (16) consecutive hours will be paid double time for the consecutive hours worked beyond sixteen (16). Any part of the eight-hour (8) period which extends into the employee's normal work schedule will be paid for at normal straight-time rates.

   Time allowed off for meals will not prevent the hours worked from being considered as consecutive. If an employee is called and reports for work within two (2) hours of the time the employee went off duty or in the case where prior consecutive hours worked were sixteen (16) or greater, within eight (8) hours of the time of going off-duty, the time off will not prevent the hours worked thereafter from being considered as consecutive with the previous hours worked.

8. Unless an emergency arises, an employee who is required to work during unscheduled hours between midnight and the beginning of the normal work schedule, the employee will be entitled to a minimum aggregate of seven (7) hours of rest time between midnight and the beginning of the normal work schedule. If such rest time extends into the employee's normal workday, no reduction in pay will be made for the hours overlapping the normal workday. Rest time extending into the normal work schedule and having a duration of three (3) hours or less may be taken at the end of, rather than the beginning of, the normal work day, provided 50% of time worked occurred after 3:30 AM. If more than 50% of time worked occurred before 3:30 AM, rest time must be taken at the beginning of the workday. For the purposes of this overtime section, unscheduled is defined as unanticipated call outs from an employees home, otherwise, overtime is considered planned and scheduled.

E. Holidays

1. Unless assigned to work, employees shall not be required to work on holidays set forth herein when such days come, or are celebrated, in their scheduled work week, and if not assigned to work, shall be paid for each such day an amount equal to eight (8) hours straight-time. Holidays shall be considered to be the following days: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.

2. Two (2) additional days each year will be designated as "Floating Holidays", one of which shall be taken between January 1 and June 30, subject to the same provisions of this Agreement as any other designated holiday. The date of the floating holidays for each individual employee may be taken upon such day as the employee may elect upon a minimum of two (2) weeks notice in writing provided that, in the judgment of the Company, the absence on such day will not impair the Company's operation and further provided that the floating holidays will not be granted during the employee's scheduled vacation.

3. If a holiday falls on a day on which an employee is not regularly scheduled to work and the employee does not work on such a holiday, the employee shall receive holiday pay (an amount equal to eight [8] hours straight-time pay) or at the discretion of the Company, a day off in lieu of such holiday pay; provided, however, that the Company shall have no obligation to grant a particular day off if the granting of such day off would require the Company to pay a premium rate of pay to another employee to fill in for the employee taking the day off.

F. Friday After Thanksgiving

The Friday after Thanksgiving will be a day off with pay (an amount equal to eight [8] hours straight-time pay) and will be treated as a Saturday for all other provisions of the Agreement.

G. Vacations

Vacation is an accrued time off from work with pay benefit. Individual vacation time is accrued within the same calendar year that the vacation is taken and accrues only during the full-pay periods. The rate of accrual is based upon length of employment. Vacation time can only be converted into dollars when an employee terminates or retires and has not taken accrued vacation time. Vacation pay will be equal to the amount the employee would have received if regular hours had been worked during the same time period (does not include overtime).

Vacation time: (Subject to the provisions above)

A new employee hired prior to June 1, upon completion of six (6) months of employment, is entitled to one (1) week of vacation within the calendar year hired.
An employee who is expected to complete one (1) full year of employment by December 31 of any calendar year will be entitled to two (2) weeks of vacation during the calendar year until the fifth (5th) year of employment.
An employee who is expected to complete at least five (5) years of employment by December 31 of any calendar year will be entitled to three (3) weeks of vacation during the calendar year until the tenth (10th) year of employment.
An employee who is expected to complete at least ten (10) years of employment by December 31 of any calendar year will be entitled to four (4) weeks of vacation during the calendar year until the eighteenth (18th) year of employment.
An employee who is expected to complete at least eighteen (18) years of employment by December 31 of any calendar year will be entitled to five (5) weeks of vacation during the calendar year.

An employee who terminates is entitled only to that percentage of vacation that is equivalent to the percentage of the calendar year in which the person was an employee and receiving full pay.

Employees retiring from active employment under a Company retirement plan during any calendar year shall be entitled to receive the same vacation benefit as that which would have been allowed if active employment had continued for the full calendar year in which retirement takes place.

Vacation time has to be scheduled in advance with the employee's immediate supervisor. Because of scheduling difficulties and work load requirements, the Company reserves the right to schedule any vacation time in excess of two (2) weeks.

In the event an employee is unable to take earned vacation because of sickness, injury (work or non-work related), or Company work requirements, such earned unused vacation shall be carried over into the next calendar year. Except for those situations, vacation time cannot be carried over into the following year.

In the event that an employee suffers a serious illness or injury (verified by a physician) during their scheduled vacation and notifies their supervisor of such as soon as possible, that portion of vacation period during which the employee is incapacitated may be rescheduled at the option of the Company to another time during the same calendar year. Vacation will continue to accrue during jury duty and two-week (2) military reserve duty.

H. Classification Changes

1. Reclassification

a. When an employee is temporarily assigned to a higher wage classification for a period of two (2) hours, or more, the employee shall receive the rate for such classification under Schedule of Wages attached.

b. When a line crew composed of two or more employees is performing work during other than normal working hours which requires employee supervision at the work site, the senior qualified employee on the crew shall be the employee in charge of the other employee or employees unless otherwise designated and shall receive the premium as set forth in the temporary foreman mutual working agreement.

2. Retrogression Pay

a. If a regular full-time employee becomes partially incapacitated by reason of age or disability (provided that such disability [1] did not arise during the course of or as a result of employment by an employer other than the Company who is subject to Worker's Compensation statutes, or [2] did not arise during the course of or as a result of the employee's activity as an independent contractor on a regular basis, or [3] was not deliberately caused by or contributed to by the voluntary act of the employee) and thus is unable to perform fully the duties of the job classification, the Company will endeavor to give other work by placing the employee in the highest classification in which the employee is able to perform the work assigned and in which there is an available opening. The employee shall be given a reasonable opportunity for training to fill an available job which carries a rate of pay more nearly equal to the original rate, and if the employee becomes qualified for such available job, shall be placed in the classification.
An assignment made under this Article shall continue until the employee's normal retirement date, provided that the employee remains qualified to perform the duties required of the job classification. During the period of assignment under this Article, employees shall be paid at the maximum rate for the classifications to which they are assigned, except those employees who have completed ten (10) or more years of continuous service at the time of assignment shall be paid not less than the percentage of their former rates indicated below, such percentage to remain the same for the balance of each employee's active employment. When rates of pay are adjusted by a general wage adjustment, employees so classified will receive an adjustment in pay in the amount by which the employee's retrogressed classification is adjusted.

b. Subject to the restrictions imposed by this Article relating to the availability of a job opening and the ability of the employee to perform the job, an employee suffering an occupational disability resulting from sickness or injury contracted in the course of Company employment, shall have the option of receiving a rate determined in accordance with the following table or such compensation as may be determined by the operation of the applicable Worker's Compensation law.

Years of Service at Time of Assignment	Percentages
25 or more	100%
20 - 24	95%
15 - 19	85%
10 - 14	75%

c. The provisions of the foregoing Article shall not impair the right of the Company to require an employee to retire under the Company's Pension Plan.

3. Termination Pay

a. If an employee's employment with the Company is terminated due to a reduction in work force resulting from automation or the closing of an operation, the employee shall, unless retired with pension benefits under the Pension Plan, be entitled to receive one-week's (1) pay for each six (6) months (calculated to the nearest six-month (6) period) of service with the Company; provided, however, that an employee receiving termination pay shall not be entitled to be rehired under the provisions of ARTICLE VII of this contract. The employee may have the option to take termination pay for up to one (1) full year.

I. Temporary Assignments Outside the Company's Service Area

Work assignments with utilities outside the Company's service area are

voluntary except when the utility is an affiliate of UNITIL Corporation. If adequate volunteers cannot be obtained for work assignments at UNITIL affiliates, personnel will be assigned.
Employees will be paid for travel time, and transportation will be provided if requested. The rate of pay shall be in accordance with this agreement or the prevailing wage where they are assigned, which ever is higher.
If an employee works outside the service area and is required to stay overnight, out-of-town pay will be paid. The employee will be paid the same as when working within the service area except that straight time rates will be paid for rest time.
This provision does not apply to assignments classed as nonworking (examples: training, schools, meetings, etc.).

J. Working Conditions

1. Except when heat, cold, rain, snow, humidity, or other severe weather conditions make such work unsafe, or as defined in "a" or "b" below, employees are expected to perform outdoor work during inclement weather. As the severity of inclement weather varies and whether or not work can begin or continue depends, on part, upon the job involved. The manager, or a representative designated by the manager, will determine if weather conditions are such that it warrants cessation of work, consistent with safety. The Employer's representative on the job site will be instructed as to what constitutes inclement weather. Employees shall not lose any regular pay because of failure to work outdoors due to inclement weather, except in cases of disciplinary reasons.

a. Except in cases of necessity, emergency, or as set forth herein, Lineworkers shall not be required to do outdoor line work, which exposes them to inclement weather. For the purpose of this section, inclement weather will include extreme cold which shall be considered 12 degrees Fahrenheit or minus 10 degrees Fahrenheit wind-chill which will be determined by the thermometer at the Company's Drinkwater Road facility.

i. Maintenance and replacement of street/flood lights (excluding new installations) shall be performed during all inclement weather conditions except when the conditions are such that it would be unsafe to perform the work.

ii. Light precipitation assignments shall include the following

1) Maintenance and replacement of street/flood light fixtures and/or accessories (excluding new installations).

iii. Fog and mist assignments shall include, but not limited to the following

1) Maintenance, replacements and installation of street/flood light fixtures and/or accessories.

2) Substation work on de-energized or isolated equipment, excluding climbing steel.

3) Permanent connections

4) Motorized patrols.

5) Dead line work.

6) Material handling, stocking, delivery, loading, and unloading.

iv. Lineworkers will not be required to work on energized primaries or secondaries, during wet weather, except in emergencies or necessities and while maintaining, or repairing street/flood lights.

v. When the temperature reaches 90 degree Fahrenheit, normal line work requiring the use of rubber gloves and/or sleeves will cease.

b. Meter Readers/Meter Workers/Meter Mechanics will not be required to read meters during heavy snow or sleet or in any severe weather conditions which would be considered detrimental to the safety of the employees. In making this determination, the supervisor along with the employee will consider factors which include driving/road conditions, walking conditions, location of routes to be read, a review of local weather conditions and forecasts and any relevant source of information. The supervisor will be responsible for making the final decision.

K. Tools and Equipment

1. The Company shall provide lineworker's equipment, consisting of climbing spurs, pads and straps, body belts and safety straps, pliers, connectors, skinning knives, leather gloves, adjustable wrenches, rules and screwdrivers, and replacements and renewals of them. All lineworker's equipment shall be and remain the property of the Company. When renewals or replacements are requested, the old equipment must be turned in or its loss satisfactorily explained. All lineworker's equipment shall be left on the property of the Company when not in use.

2. The Company shall provide all reasonably necessary tools for meter department employees.

3. The Company shall provide protective clothing for employees engaged in painting equipment.

L. Supervisors Working

Full time supervisors above the rank of Working Foreperson will not customarily perform the same work which is performed by the employees whom they supervise, provided, however, that supervisors may perform such work for the purpose of instruction, training, and in cases of emergency. Emergencies, for the purpose of this section, shall be defined as including the following two descriptions: (1) customer outages or (2) an unexpected occurence or set of circumstances demanding immediate action which threatens life, limb, property or the continuity of service.

M. Rubber Gloving

As of June 25, 1995, the Company may adopt the practice of rubber gloving voltages up to and including 34.5 kV in line work. Any employee classified as Lineworker I, II, or III as of June 25, 1995, shall not be required to rubber glove voltages in excess of 15 kV. To the extent the Company requires rubber gloving of voltages between 15 kV and 34.5 kV, the work shall be carried out by volunteers within the Company who have achieved Lineworker I status or by a Lineworker I who is hired after June 25, 1995.

Lineworkers who were employees of the Company as of June 25, 1995, who volunteer for the 34.5 kV rubber gloving program shall have the option of leaving the program within one year from the day they volunteer, after the program goes online. The Company, upon receipt of written notice that employee's intent to leave the 34.5kV rubber gloving program, will immediately remove them from the program. It has been further agreed that the Company will confer with the Union with respect to appropriate safety rules for rubber gloving voltages up to and including 34.5 kV in line work.

ARTICLE IV: CREDIT UNION & 401(k) PLAN

A. Credit Union

Company agrees to make payroll deductions for payments to one duly-established Credit Union upon written authorization by regular employees and to forward the amounts so deducted to the Credit Union in accordance with such authority.

B. 401(k) Plan

Unit #1 members may participate in the Company's 401(k) Plan. The Company agrees to make payroll deductions for payments to the duly-established 401(k) Plan upon written authorization by regular employees and to forward the amounts so deducted to the 401(k) Plan in accordance with such authority.

ARTICLE V: PENSIONS

During the effective period of this Agreement, the Company will pay retirement benefits in accordance with Statement of Retirement Plan dated June 25th, 1995, attached hereto.

ARTICLE VI: GROUP INSURANCE

During the effective period of this Agreement, the Company will maintain Group Insurance as follows: Life, Accidental Death and Dismemberment, and Comprehensive Medical and Dental Plan in accordance with terms of statement dated June 25th, 1995, attached hereto. In the event that there shall be enacted after June 25th, 1995, state or federal legislation in addition to that now enacted which provides benefits in the field of health, medical, hospitalization and nursing care, the parties agree at the request of either one to confer to consider revising the benefits provided under this Agreement in said field in order to prevent duplication or overlapping.

ARTICLE VII: PROMOTIONS, DEMOTIONS, AND FURLOUGHS

A. Promotions & Demotions

Selection of regular employees for promotion within the bargaining unit, for demotion or furloughing because of a reduction in forces, shall be based upon qualifications and seniority. If the employee is qualified for the job in cases of promotion and demotion, seniority shall govern. In cases of furloughing, seniority shall govern. The Union and the Company recognize that it may be necessary to make exceptions in the application of the foregoing seniority provisions by mutual agreement in order to insure efficient operation of the Company's business. The determination by the Company as to qualifications for promotions to foremen and supervisors shall not be subject to arbitration under Article X. For the purposes of promotions to certain positions having defined progression steps, employees shall be required to successfully complete a training program prior to being promoted to higher classifications. Successful completion shall be determined by passing written tests and the ability to demonstrate proper working techniques and practices.

B. Furloughs

If and when there is an addition in forces in any department covered by this Agreement, employees who have been furloughed from such department shall be given preference over other persons, and employees who have been furloughed from any other department covered by this Agreement shall be given preference over persons not formerly in the employ of the Company, if in either case they are qualified in this Article.

C. New Positions

1. When a vacancy or the creation of a new position necessitates promotion of any employee, or hiring a new employee, the Company shall post notices at locations accessible to the employees, such notices to remain posted for one week, within which time employees may apply in writing to the supervisor or official of the Company designated in the notice. The notices shall set forth the classification of the position to be filled, an outline of the duties, the hours and days of work, and wage rate, the date on which the notice is posted and the last day for filing applications. Applicants who have special qualifications may describe such qualifications briefly in their applications.

2. The Company may assign anyone to fill a vacancy or new position temporarily pending the posting of notices and the consideration of applications.

3. The Company may also assign anyone to perform temporary work or to replace an absent employee without regard to the foregoing provisions of

this Article.

4. When an employee is promoted or transferred to another position but fails to qualify within six (6) months, the employee shall be reassigned to the class from which the employee was promoted or transferred. If the Company determines that the employee is qualified to perform the work in the class to which the employee was promoted or transferred, but the employee desires to return to the previous class of work, the Company shall not reassign the employee until there is a vacancy in such previous class.

D. Leave of Absences

1. The Company may grant leaves of absence for causes which it, in its discretion, deems justifiable, for periods not in excess of one (1) year. Time spent on leave of absence shall be included in determining length of service for seniority purposes.

2. Leave of Absence for Union Officials - Time off without pay shall be granted upon the request of the Union to Union officials and/or duly elected delegates to the International Convention for the purpose of attending Conventions of the IBEW or to attend other conferences involving the Local Union, provided that (a) the absence of the employee shall not, in the opinion of the Company, interfere with the Company's operations or cause undue hardships to other employees, and (b) provided that the request for such time off shall be made as far in advance as possible, but in no case less than two (2) weeks in advance, and (c) the current Company's vacation policy and procedure will be used to establish the number of employees within a department that can be off at any one time. Maximum duration per occurrence would be one (1) week.

3. Leave of Absences to Attend Funerals - In the event of the death of a member of the immediate family of an employee, the Company will grant reasonable time off without loss of pay, up to three (3) workdays, for scheduled straight-time workdays falling within the period from the date of the death through the date of the funeral. The immediate family is defined as wife, husband, children, parents, sister, brother, father-in-law, mother-in-law and step-parents. For other members of the family (grandparents, grandchildren, aunts and uncles), one (1) day without loss of pay will be granted if the funeral is held on a scheduled straight-time workday. It is understood that this paragraph applies only when the time off is used for the purpose intended.

4. Leave of Absences for Birth of Child - For the birth of an employee's child, eight (8) hours within a twenty-four (24) hour period will be allowed off with pay provided time off is not covered by a separate Company policy. If the birth occurs after 3:30 pm Friday or any time on a Saturday, time off would not be allowed.

ARTICLE VIII: MILITARY SERVICE

1. The Company will abide by the laws of the United States with respect to the re-employment of those of its employees who have left or will leave their employment with the Company to enter upon service with the armed forces of the United States. When such absence from their duties is compulsory, or results from enlistment in anticipation of compulsory service, the period of absence from their duties with this Company of those re-employed under this Article, within ninety (90) days of discharge provided employee does not re-enlist after compulsory military requirements have terminated or no longer exist, shall be computed as part of their total term of service with the Company in determining their seniority, vacation, sickness disability benefits, termination pay, and the amount of retirement pension. The parties interpret said laws as applying with equal force to all members of said armed forces, including the Merchant Marine regardless of the manner by which they may have become members thereof.

2. The Company agrees to pay to a regular employee, while on National Guard or Reserve annual two-week (2) tour of duty, the difference between the pay from National Guard or Reserves and the regular pay while at work for the Company for two (2) weeks of the tour of duty, provided the employee takes only one (1) week of vacation between May 1 and November 1, in addition to the tour of duty.

ARTICLE IX: SUSPENSIONS AND DISCHARGES

1.Upon written request of the Union made within seven (7) days from the date upon which an employee has been suspended or discharged, the Company shall grant a hearing to the employee involved. Upon receipt of the foregoing request in writing, the Company will inform the Union of the reason for the suspension or discharge. The hearing will be conducted by the department head or superior officer of the Company, and if exonerated, the employee will be reinstated without prejudice and compensated for loss in wages. The hearing shall be conducted in accordance with the method of adjusting grievances as provided in Article X herein.

ARTICLE X: ADJUSTMENT OF DISPUTES OR GRIEVANCES

1. The Union agrees that it will not authorize a strike or work stoppage and the Company agrees that it will not engage in a lockout, because of disputes over matters relating to this Agreement. The Union further agrees that it will take every reasonable means which are within its powers to induce employees engaged in a strike or work stoppage in violation of this Agreement to return to work. There shall be no responsibility on the part of the Union, its officers, representatives or affiliates, for any strike or other interruption of work unless specifically provided in this paragraph.

2. Any dispute or grievance arising during the term of this Agreement, relating to the meaning, interpretation, construction or application of this Agreement shall be settled in the following manner:

Step 1. The grievance shall be submitted, in writing, to the other party within fifteen (15) working days after the occurrence of the facts giving rise to the grievance.

Step 2. By agreement between the Department Head of the Department in which the grievance arises or the designated representative and Chief Steward of said Local Union No. 1837. Their agreement or failure to agree shall be stated in writing and rendered within fifteen (15) working days of the date the grievance was submitted.

Step 3. If the grievance is not settled in Step 2, either party may, within thirty (30) working days of the decision rendered in Step 2, appeal in writing for a decision by the President of the Company and the Business Agent of the Union, or representative designated by them. An international representative of IBEW may be present at this step of the grievance procedure only to assist the local union. They shall render their agreement or failure to agree in writing within fifteen (15) working days of the date of the appeal to them.

Step 4. Any grievance not presented in accordance with applicable time limits or other requirements in the steps listed above shall be considered defaulted and settled. The time limits in any of the steps above may be extended by a written mutual agreement of both parties.

Step 5. ARBITRATION: If the Company and the Union are unable to settle a dispute or grievance as above provided, the dispute or grievance may be referred to arbitration by either party as follows: The Union and Company shall agree upon an arbitrator, but if they are unable to agree upon an arbitrator within ten (10) days, the arbitrator shall be appointed by the American Arbitration Association. The decision of the Arbitrator shall be final and conclusively binding upon the parties. The services and expenses of the arbitrator shall be shared equally by the Company and the Union.

3. It is agreed that there shall be no obligation to arbitrate a renewal of this Agreement or a change in, or supplement to, this Agreement or to arbitrate any matter not covered by this Agreement or some provision thereof. No arbitration decision shall be binding beyond the life of this Agreement.

4. It is understood and agreed that to be considered under this Article a grievance must be filed promptly after the occurrence thereof, provided further that there shall be no obligation to consider any grievance based upon facts which occurred more than six (6) months prior to the filing of said grievance under "First" of this Article.

5. The Company President and the Chief Steward of the said Local Union shall meet from time to time at the request of either party for the purpose of discussing any matter coming within the scope of this Agreement.

6. All meetings between the Company President and the Chief Steward of the Union shall be held at the Company office at the convenience of both parties, if possible.

ARTICLE XI: SUCCESSORS

This Agreement shall be binding on the Company and its successors and assigns.

ARTICLE XII: NOTICES AND REQUESTS

1. Except where specifically provided otherwise herein, all notices and requests shall be deemed to have been fully and completely served or made by the Company when sent by certified mail addressed to Chief Steward, Local Union No. 1837, Unit #1, International Brotherhood of Electrical Workers, and by the Union when sent by certified mail to Exeter & Hampton Electric Company at 114 Drinkwater Rd., Kensington, N.H. 03833-5602, unless either party hereto shall give notice of a different address at least five (5) days before any such notice or request is mailed.

2. The Company shall permit the reasonable use of bulletin boards for posting officially signed Union bulletins.

ARTICLE XIII: UNION AGREEMENT

The Union agrees that its members employed by the Company will work for the Company upon the terms and conditions set forth in the Agreement during its life.

ARTICLE XIV: SICKNESS - INDUSTRIAL ACCIDENTS

A. Sickness

1. The Company agrees not to make deductions from the pay of the employees when absent from work on account of sickness or injury contracted while not working for the Company or some other employer for each unrelated occurrence up to the following limits:

   a. Two (2) weeks of FULL PAY for each full year of continuous service of such employee with a minimum of two (2) weeks and a maximum of twenty-six (26) weeks plus,

   b. Two (2) weeks of THREE QUARTER PAY, each full year of continuous service of such employee with a minimum of two (2) weeks and a maximum of twenty-six (26) weeks.

2. If a holiday occurs during the full-pay period, while an employee is sick, extend the full-pay period eight (8) hours or one (1) day, if the employee is still out sick.

3. If a holiday occurs during the three-quarter pay period the employee will receive an extra three-quarter day's pay at the end of the three-quarter pay period if the employee is still out sick.

4. The Company shall have the right, in each instance in which an employee claims sick pay under any of the provisions of the Article, to satisfy itself of the fact of sickness requiring absence by the certificate of a competent physician, examination, or otherwise.

B. Accidents

1. Time lost on account of industrial accidents will not be regarded as sickness.

2. The Company agrees to pay during disability due to industrial accidents the difference between the amount of compensation from Worker's Compensation Insurance and full pay for a period not to exceed twenty-six (26) weeks.

3. If any employee's sickness and/or injury is the result of an action of a third party the employee shall assist the employer in recovering sick pay and other associated costs from the third party.

ARTICLE XV: TERMINATION

1. This Agreement when signed by the Company and the Local Union or their authorized representatives and approved by the International Office of the Union, shall take effect June 25, 1995, and shall remain in effect through May 30, 1998. It shall continue in effect from year to year thereafter, from May 31, 1998 through May 31st of each year, unless changed or terminated in the way provided herein.

2. Either party desiring to change or terminate this Agreement must notify the other in writing at least sixty (60) days prior to May 30 of any year after 1997. When notice for changes only is given, the nature of the changes desired shall be specified in the notice; however, the listing of changes shall not preclude submission of other changes desired during negotiations. If the parties cannot agree upon changes, either party shall have a right to terminate the contract.

3. This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto. Any such amendment agreed upon shall be reduced to writing, signed by the parties hereto and approved by the International Office of the Union.

ARTICLE XVI: SPECIAL PROVISIONS

1. In the event State or Federal legislation is enacted that would mandate a change that conflicts with this agreement or benefits program, the State or Federal legislation will govern.

2. In the event of any conflict between acts of past practice and specific items covered in this agreement, the agreement will govern.

IN TESTIMONY WHEREOF the parties hereto have executed this Agreement this day and year first written above.

For the	For the
EXETER & HAMPTON ELECTRIC COMPANY	EMPLOYEES OF EXETER & HAMPTON ELECTRIC CO. covered by this Agreement and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837, UNIT #1
By:	By:
Anthony Smoker Vice President/General Manager	Kerry R. Guptill Assistant Business Manager Local Union No. 1837-1
	By:
	Richard C. Davis, Chief Steward Local Union No. 1837-1
	By:
	Alan Bowering, Assistant Steward Local Union No. 1837-1

Approved: _________________________

International President
International Brotherhood of
Electrical Workers

SCHEDULE OF WAGES

EXETER & HAMPTON ELECTRIC COMPANY

Hourly Rates Effective

	1995 June 25th	1996 June 2nd	1997 June 1st
Utility Lineworker-First Class	20.28	20.93	21.65
Utility Lineworker-Second Class (2 yr. tr.)*	17.71	18.28	18.91
Utility Lineworker-Third Class (1 yr. tr.)*	15.19	15.68	16.22
Lead Lineworker	20.88	21.53	22.25
Lineworker-First Class	19.88	20.53	21.25
Lineworker-Second Class (2 yr. tr.)*	17.31	17.88	18.51
Lineworker-Third Class (1 yr. tr.)*	14.79	15.28	15.82
Lead Line Technician	20.88	21.53	22.25
Line Technician I	19.88	20.53	21.25
Line Technician II (2 yr. tr.)*	17.31	17.88	18.51
Line Technician III(1 yr. tr.)*	14.79	15.28	15.82
Utility Technician I	18.69	19.30	19.98
Utility Technician II (2 yr. tr.)*	17.26	17.83	18.46
Utility Technician III (1 yr. tr.)*	15.72	16.24	16.81
Lead Meter Mechanic	18.43	19.00	19.63
Meter Mechanic Class I	17.43	18.00	18.63
Meter Mechanic Class II (2 yr. tr.)*	15.36	15.86	16.42
Meter Mechanic Class III (1 yr. tr.)*	14.42	14.89	15.42
Meter Worker	14.83	15.32	15.86
Utility Plant Inspector	16.18	16.71	17.30
Secretary, Records/Communications	10.88	11.24	11.64
Plant Clerk	15.36	15.86	16.42
Assistant Plant Clerk	12.72	13.14	13.60
Utility Clerk	15.76	16.26	16.82
Assistant Utility Clerk (18 mo. tr.)*	13.12	13.54	14.00
Stock Clerk	14.08	14.54	15.05
Assistant Stock Clerk	12.72	13.14	13.60
Meter Reader Class I	14.01	14.47	14.98
Meter Reader Class II (1 yr. tr.)*	13.46	13.90	14.39

For Temporary Foremen see Mutual Working Agreement - Temporary Foreman

*Training positions for progression to next classification. Must successfully complete an approved training program before progressing to the next step.

EXETER & HAMPTON ELECTRIC COMPANY

GROUP INSURANCE

There shall be maintained a Group Life Insurance and Group Accident and Sickness program with the following benefits:

Group Life Insurance

Employees are eligible for group life insurance coverage in the amount of the lesser of two times their basic annual earnings reduced to the next lower full thousand or $100,000.

Exeter & Hampton Electric Company pays insurance premium cost.

Accidental Death and Dismemberment

Employees are eligible for accidental Death and Dismemberment coverage equal to the total of their Group Life Coverage up to a maximum of $5,000.

Exeter & Hampton Electric Company pays insurance premium cost.

Insurance After Retirement

Employees retired on a pension may continue Group Life Insurance up to one-half of the amount carried at the time of retirement with the maximum being $10,000.

Exeter & Hampton Electric Company pays for the retiree's group life insurance. Current employees shall have a maximum of $15,000 for a period of three (3) years from the date of this Agreement (June 25, 1995).

Group Comprehensive Medical Insurance

Group Comprehensive Medical Services Insurance is provided for employees and their eligible dependents and is briefly outlined as follows:

A. Deductible: $100 of "Covered Medical Expenses" for each member, each calendar year with a maximum of three deductibles per family per calendar year.

B. Co-insurance: Program pays 80% of first $2,000 of "Covered Medical Expenses" in excess of deductible for each member each year.

C. Paid-In-Full: Program pays in full "Covered Medical Expenses" in excess of the coinsured amount and the deductible for the remainder of the calendar year.

Maximum lifetime benefit per member is $1,000,000 (benefit for the treatment of certain mental and nervous disorders is limited to $5,000 per calendar year, lifetime maximum $10,000). Maximum out-of-pocket for "Covered Medical Expenses" is $500 per member each calendar year. "Covered Medical Expenses" include charges which are usual, customary and reasonable for medically necessary service, (hospital, physicians, psychiatric, chiropractic and other required services and supplies).

Retirees under sixty-five (65) and their dependents will be covered by the Group Comprehensive Medical Insurance Plan, and the Company will pay the premium for Retirees and their dependents for the first year following retirement. After this first year, retirees and their dependents will be eligible to receive medical insurance benefits from the UNITIL Retiree Trust.

Active employees and retirees sixty-five (65) years or over will be covered by a supplement to Medicare Plan paid for by the Company. The eligible dependents (age 65 or over) of these active employees and retirees sixty-five (65) or over will also be covered by the Supplemental to Medical Plan with full premium paid for by the Company. The Company will pay the premium for the retirees and their dependents for the first year following retirement. After this first year, retirees and their dependents will be eligible to receive medical insurance benefits from the UNITIL Retiree Trust.

Group Dental Plan

Group Dental Care Insurance is provided for employees and their eligible dependents and is briefly outlined as follows:

Deductible

There is one $25.00 deductible per person per Calendar Year with a maximum of $75.00 per family each calendar year. This deductible does not apply to Coverage I and IV benefits, but does apply to Coverage II and III benefits.

Coverage I - Diagnostic and Preventative, 100% Payment.

Diagnostic
- Initial Examination;
- Examinations to determine the required dental treatment two times in a calendar year; Full Mouth/Panorex X-Rays once in a three (3) year period;
- Bitewing X-Rays twice in a calendar year;
- X-Rays of individual teeth as necessary.

Preventative
- Cleanings two (2) times in a calendar year;
- Fluoride - twice in a calendar year (age limit 19)
- Space Maintainers.

Coverage II - Restorative, after deductible, 80% paid by insurance, 20% paid by patient.

- Amalgam, Silicate and Acrylic restorations;
- Oral Surgery - Extraction's;
- Endodontics - Pupal therapy; root canal therapy;
- Periodontics - Treatment of gum disease, includes periodontal cleanings;
- Denture Repair - Repair of removable denture to its original condition;
- Emergency Treatment - Palliative.

Coverage III - After deductible, 50% paid by insurance, 50% by patient.

- Crowns and buildups for crowns;
- First placement of inlays and bridges;
- First placement of partial or full dentures.

Coverage IV - Orthodontia, 50% paid by insurance, 50% paid by patient.

Maximum Contract Year Benefit -
The maximum amount which the plan will pay is $750 per person per Calendar Year. Orthodontia lifetime maximum is $1,000 per person.

This benefit summary is for informational purposes only. The benefits are described more fully in the applicable master group insurance policy. The extent of coverage for each individual is governed at all times by that document. In the event of any conflict between this summary and the plan documents, the plan document will govern.

While the Company expects to continue indefinitely the benefits provided under these plans, it agrees to continue them only for the term of the Contract with employees of Exeter & Hampton Electric Company covered by the Agreement and International Brotherhood of Electrical Workers and Local Union NO. 1837, dated June 25, 1995.

EXETER & HAMPTON ELECTRIC COMPANY

RETIREMENT PLAN

A retirement plan is provided for employees and is briefly outlined below.

The word "wages" as hereinafter used, shall mean straight-time wages, and shall include no daily or weekly overtime.

Eligibility

Any employee of the Company shall or may retire on a retirement benefit subject to the provisions and conditions hereinafter set forth:

1. An employee who has attained the Normal Retirement Date (first day of the month in which occurs and employee's 65th birthday) and ceases active service with the Company shall be entitled to a pension.

2. An employee shall be entitled to retire before attaining the age of sixty-five (65) years if the employee becomes unable to perform such employee's work for the Company because of a permanent disability. In order to be eligible for a disability pension the employee must:

   a. Be totally disabled.

   b. The disability must continue for at least six (6) months.

   c. The employee must have completed at least fifteen (15) years of Credited Service (excluding Credited Service completed prior to age 18).

   d. He must qualify for disability benefits under the Social Security Act in effect at the time.

   e. The disability must not have been incurred while the employee was engaged in:

      (1) criminal act

      (2) service in the armed forces

      (3) habitual drunkenness or addiction to a narcotic

      (4) intentional self-inflicted injury

      (5) act or disease resulting during the course of employment with an employer other than the Company.

Further, that the disability pension may be discontinued should the employee refuse to be examined by a physician designated by the plan. The pension would be computed on the basis of the accrual to date of such retirement with no actuarial reduction.

3. An employee with fifteen (15) years of Credited Service and who has attained age fifty-five (55) may elect to retire on an Early Retirement Date, which may be the first day of any month thereafter prior to the employee's Normal Retirement Date. The Company requests that the employee notify the Company in writing at least ninety (90) days prior to such date of intention to retire early.

Determination of Amount of Normal Retirement Benefit

A. Basis:
The basis for the computation of the amount of the retirement benefit shall be the employee's average monthly wage for the last five (5) years of Credited Service or the employee's average monthly wages for any consecutive five-year period during the employee's last twenty (20) years of Credited Service, whichever amount is larger.

B. Amount:
Based upon average monthly wages determined as above stated, the employee shall be eligible for a monthly retirement benefit payable in advance, computed as follows:

   1. For each of the first twenty full years of Credited Service - 2% of said average monthly wages, plus

2. For each full year of Credited Service in excess of twenty full years and not in excess of thirty full years - an additional 1% (one percent) of said average monthly wages, plus

3. For each full year of Credited Service in excess of thirty years - an additional 1/2 of 1% (one-half percent) of said average monthly wages, such sum to be reduced by:

4. Fifty (50%) percent of such employee's Primary Social Security Benefit payable under the Federal Social Security Act in effect on December 31, 1970: such reduced sum to be further reduced by:
   The amount of monthly retirement benefit, if any, to which the employee is entitled under any retirement plan maintained by a former employer for which credit is given under the Plan (i.e. another UNITIL System Company).

RETIREMENT PLAN (cont.')

Determination of Amount of Early Retirement Benefit

The monthly amount of Early Retirement Benefit payable to an employee retiring on his Early Retirement Date shall be equal to the employee's Normal Retirement Benefit based on Credited Service to his Early Retirement Date, reduced on the basis of the following schedule:

Early Retire-ment Age	Percent Reduction of Normal Retirement Benefit	Early Retirement Benefit Expressed as a % of Normal Retirement Benefit
64	0%	100%
63	0%	100%
62	0%	100%
61	0%	100%
60	0%	100%
59	13%	87%
58	16%	84%
57	19%	81%
56	22%	78%
55	25%	75%

Normal Form of Benefits

A. Monthly Annuity for Life

An employee who is unmarried at retirement will receive a retirement benefit as a monthly annuity for as long as the employee lives. Upon death, no death benefits will be payable to any beneficiary.

B. Joint and Survivor Annuity with Spouse

An employee who is married at retirement and who does not elect to receive the retirement benefit as a monthly annuity for life will receive an actuarially reduced benefit for as long as the employee lives with fifty (50%) percent of such reduced benefit payable after death to the employee's spouse for as long as such spouse lives. The reduction is based upon the life expectancies of the employee and spouse on the employee's retirement date.

Optional Form of Benefits

A. Contingent Annuitant Option

An employee may elect, instead of his retirement benefit as heretofore provided, to have reduced retirement benefits made commencing on the employee's retirement date and after death such reduced payments, or any lesser amount selected by the employee, will be continued to the designated beneficiary, if living after the employee's death, for the beneficiary's lifetime.

B. Ten (10) Year Certain and Life Annuity

An employee may elect that the retirement benefit, payable on the retirement date, be reduced with the guarantee that not less than one hundred and twenty (120) monthly payments will be made either to the employee or the named surviving beneficiary who survives him.

C. Five (5) Year Certain and Life Annuity

An employee may elect that the retirement benefit, payable on the retirement date, be reduced with the guarantee that not less than sixty (60) monthly payments will be made either to the employee or the named surviving beneficiary.

If any of the above options are elected, the provisions for a minimum annual retirement benefit shall only apply prior to any reductions under the above options.

Minimum Company Contribution to Retirement Benefit

In no event will the Company pay any employee who retires with fifteen years of Credited service an annual normal retirement benefit of less than $1,200 in addition to such sums, if any, as the employee may receive as "Primary Insurance Benefits" under the Federal Social Security Act.

Spouse's Benefit

A Spouse's Benefit shall be payable to an employee's spouse in the event of the employee's death prior to the Normal Retirement Date, provided at least fifteen (15) years of Credited Service was completed and the employee has been married to the surviving spouse for at least one (1) year.

The monthly amount of the Spouse's Benefit shall be one-half of the amount of Retirement Benefit which would have been payable had the deceased employee retired, rather than died, on the day before death, reduced, however, by one (1%) percent for each full year in excess of two (2) by which the deceased employee's age exceeds his Spouse's age.

A minimum of fifty ($50.00) dollars per month shall be payable.

Spouse's Benefit payments shall terminate with the last payment due preceding death.

Deferred Termination Benefit

An employee who terminated his employment after five (5) or more years of Credited Service shall be entitled to a Deferred Termination Benefit equal to that portion of his Normal Retirement Benefit accrued to the date employment terminates.

A Deferred Termination Benefit shall commence on an employee's Normal Retirement Date, provided, however, that a terminated employee who has attained age fifty-five (55) and completed fifteen (15) years of Credited Service may elect to have his benefit commence as of the date such age is attained and completes such years of Credited Service.

The specific details of the retirement plan will be as described in the retirement plan documents. While the Company expects to continue indefinitely the benefits provided for under the retirement plan, it agrees to continue them only for the term of the Contract with the employees of the Exeter & Hampton Electric Company covered by the Agreement and the International Brotherhood of Electrical Workers and Local Union No. 1837, Unit #1, dated June 25, 1995.

Michael J. Dalton
President

MUTUAL WORKING AGREEMENTS

BETWEEN

EXETER & HAMPTON ELECTRIC COMPANY

AND

IBEW LOCAL UNION NO. 1837-1

MUTUAL WORKING AGREEMENT

BETWEEN

EXETER & HAMPTON ELECTRIC COMPANY

AND

IBEW LOCAL UNION NO. 1837-1

MEAL ALLOWANCES

The purpose of this agreement is to set guidelines to provide meals and/or meal allowances for employees.

A. The Company will provide employees with meals if the employee is required to work through meal times on other than normal work hours or scheduled overtime.

B. Employees will not be required to make their own arrangements for more than one (1) meal during any continuous work period.

C. Employees are entitled to a hot (if available), nutritious and substantial meal at a reasonable cost to the Company. The guidelines to be used for the cost of meals will be as follows:

1.	Morning Meal	$ 5.00
2.	Noon Meal	6.50
3.	Evening Meal	13.00

(Tax and tip included.)

The Company shall furnish a meal under the following conditions:

A. During days employees are scheduled to work -

1. The employee is called in for work one (1) or more hours before his or her scheduled work day begins.

2. The employee is required to continue working two (2) or more hours beyond his or her regular scheduled work day.

B. During days employees are not scheduled to work -

1. The employee will be provided with a breakfast not to exceed five dollars ($5.00) if the employee works through the hour of 6:00 AM to 7:00 AM and has worked at least two (2) continuous hours.

2. The employee will be provided with lunch not to exceed six dollars and fifty cents ($6.50) if the employee works through

the hour of 12:00 noon to 1:00 PM and has worked at least two (2) continuous hours.

MEAL ALLOWANCES (cont.')

3. The employee will be provided with a dinner not to exceed thirteen dollars ($13.00) if the employee works at least one full hour during the period 4:30 PM to 6:30 PM and has worked at least two (2) continuous hours.
4. Corresponding meal provisions will be made for meal periods at approximately five (5) hour intervals during the remainder of the work period on either scheduled or nonscheduled work days.
5. Employees will not normally be paid for time spent eating except when required to return to work after they have eaten, in which case they will be paid for continuous time.
6. An employee released from work may elect to receive a payment of $4.50 in lieu of a meal he or she is entitled to under the conditions of this policy.

A meal allowance in the amount of two dollars and fifty cents ($2.50), will be paid to Meter Readers and Meter Workers for each full day worked reading meters.

This mutual working agreement will be effective from the date of execution until May 30, 1998.

For the	For the
EXETER & HAMPTON ELECTRIC COMPANY	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837, UNIT #1
By:	By:
Scott D. Wade Manager of Operations	Kerry R. Guptill Assistant Business Manager
	By:
	Richard C. Davis, Chief Steward
	By:
	Alan Bowering, Assistant Steward

MUTUAL WORKING AGREEMENT

BETWEEN

EXETER & HAMPTON ELECTRIC COMPANY

AND

IBEW LOCAL UNION NO. 1837-1

RESIDENCY REQUIREMENTS

Employees in the following job positions are required to maintain residency within a geographical area, defined as being and including a circle drawn with a fifteen (15) mile radius having a fixed point at the Kensington service building, as a condition of remaining qualified within the specified job positions.

1. Utility Line Worker - First Class
2. Utility Line Worker - Second Class
3. Utility Line Worker - Third Class
4. Lead Line Worker
5. Line Worker - First Class
6. Line Worker - Second Class
7. Line Worker - Third Class
8. Lead Line Technician
9. Line Technician I
10. Line Technician II
11. Line Technician III
12. Utility Technician I
13. Utility Technician II
14. Utility Technician III
15. Lead Meter Mechanic
16. Meter Mechanic Class I
17. Meter Mechanic Class II
18. Meter Mechanic Class III
19. Meter Worker
20. Utility Plant Inspector

This geographical agreement will apply to employees in these positions, that change their permanent residence and persons accepting a position, after June 4, 1989.

This mutual working agreement will be effective from the date of execution until May 30, 1998.

For the	For the
EXETER & HAMPTON ELECTRIC COMPANY	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837, UNIT #1
By:	By:
Scott D. Wade Manager of Operations	Kerry R. Guptill Assistant Business Manager
	By:
	Richard C. Davis, Chief Steward
	By:
	Alan Bowering, Assistant Steward

MUTUAL WORKING AGREEMENT

BETWEEN

EXETER & HAMPTON ELECTRIC COMPANY

AND

IBEW LOCAL UNION NO. 1837-1

TEMPORARY FOREMAN

The purpose of this agreement is to set guidelines for Temporary Foreman's pay.

A. Non-supervisory employees assigned the responsibility of performing the duties of a Supervisor shall be designated Temporary Foreman and paid an additional 60 cents per hour.

B. Employees designated as Temporary Foremen will continue to receive the rate of pay through the duration of continuous work time as long as the conditions for assignment continue to exist.

Temporary Foreman's Pay for Lineworkers

A. DURING NORMAL WORK HOURS AND SCHEDULED OVERTIME

A line crew composed of two (2) or more employees, performing work during normal working hours or scheduled overtime shall have an employee responsible for the vehicle and the project. This employee will be a permanent Lead Lineworker or Temporary Lead Lineworker (no Temporary Foreman's pay). Projects requiring two (2) or more line crews shall have an employee responsible for the project. The employee will either be a Permanent Foreman or a person designated as a Temporary Foreman. If the project has four (4) or more workers and there are two (2) or more permanent Lead Lineworker working together, one (1) will be designated Temporary Foreman.

A line crew is two (2) or more employees performing electrical system maintenance or construction and is working as an individual unit.

EXAMPLES of projects not requiring a temporary foreman:

1. Substation work
2. Running wire
3. Snow removal
4. Painting
5. Second vehicle used as convenience to crew

TEMPORARY FOREMAN (cont.')

B. OUTSIDE NORMAL WORK HOURS OR SCHEDULED OVERTIME
Temporary Foreman

When a line crew composed of two (2) or more employees is performing work during other than normal working hours or scheduled overtime and employee supervision is required at the work site, the senior qualified employee on the crew shall be the employee in charge of the other employee or employees unless otherwise designated and shall receive the premium of $.60 (cents) per hour. This would normally be when a crew is on a trouble call without direct supervision at the plant.

EXAMPLE

	Temporary Foreman
1. Trouble call - no supervision at plant.	
a) No Lead Lineworker on crew.	YES
b) One or more Lead Lineworker on crew.	YES
2. Trouble call - supervision at plant.	
a) No Lead Lineworker on crew.	YES
b) One or more Lead Lineworker on crew.	NO

This mutual working agreement will be effective from the date of execution until May 30, 1998.

For the	For the
EXETER & HAMPTON ELECTRIC COMPANY	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837, UNIT #1
By:	By:
Scott D. Wade Manager of Operations	Kerry R. Guptill Assistant Business Manager
	By:
	Richard C. Davis, Chief Steward
	By:
	Alan Bowering, Assistant Steward

MUTUAL WORKING AGREEMENT

BETWEEN

EXETER & HAMPTON ELECTRIC COMPANY

AND

I.B.E.W. LOCAL UNION NO. 1837-1

EQUAL SHIFT ROTATIONS

The purpose of this Agreement is to temporarily modify the provisions of Article III, Section B, 2, concerning equal shift rotations. This temporary change shall be in effect through May 30, 1998, the day the present contract ends unless either party shall provide thirty (30) days written notice to the other party that it wishes to revert to the actual contract language. This Working Agreement shall be void on the 30th day after such notice.

The parties agree that the language of Article III, B, 2, which requires that Utility Lineworkers rotate shifts equally, shall be modified in accordance with this Agreement to permit an unequal rotation between Utility Lineworkers. Specifically, unless notice as set forth above is provided so as to cancel this Working Agreement, the parties agree that a Utility Lineworker may be assigned to the night shift (Shift B) for nine (9) months and to the day shift (Shift A) for three (3) months while another Utility Lineworker be assigned the day shift (Shift A) for nine (9) months and the night shift (Shift B) for three (3) months. The parties may continue this assignment or other unequal assignments that may be acceptable to the Company for so long as this Working Agreement is in effect.

The parties further agree as follows:

1. Whichever Utility Lineworker is assigned to the day shift (Shift A) shall replace, as necessary or as directed by the Company, a night shift (Shift B) Utility Lineworker who is on vacation or absent from work for other reasons. The rate of pay shall be the replacement employees regular straight time pay.

2. Whichever Utility Lineworker is assigned to the night shift (Shift B) shall replace, as necessary or as directed by the Company, a day shift (Shift A) Utility Lineworker who is on vacation or absent from work for other reasons. The rate of pay shall be the replacement employees regular straight time pay.

3. If the current employees (George Plante and Anthony Travia) filling the position of Utility Lineworker either change positions within the Company or leave the Company, this agreement shall be considered null and void.

4. A schedule reflecting the unequal shifts for each current Utility Lineworker shall be provided to the Company on a yearly basis for the term of this Agreement.

This mutual working agreement will be effective from the date of execution until May 30, 1998.

For the	For the
EXETER & HAMPTON ELECTRIC COMPANY	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837, UNIT #1
By:	By:
Scott D. Wade Manager of Operations	Kerry R. Guptill Assistant Business Manager
	By:
	Richard C. Davis, Chief Steward
	By:
	Alan Bowering, Assistant Steward

MUTUAL WORKING AGREEMENT

BETWEEN

EXETER & HAMPTON ELECTRIC COMPANY

AND

I.B.E.W. LOCAL UNION NO. 1837-1

METER READING

The purpose of this Agreement is to set guidelines for the completion of reading assigned meter reading routes.

Employees reading meters must finish their assigned routes each day, unless weather or other unforeseen circumstances prevent the completion, and provided the employees have advance knowledge of the route assigned. If completion is not feasible, the employee must notify the supervisor or their designee that completion is not feasible and the circumstances involved. The supervisor will consider all relevant factors in determining when work will cease and make any special arrangements that may be necessary. With the exception of Article III, paragraph J., B. of the Labor Agreement, assigning routes and determining whether or not routes shall or shall not be read; in part or whole, rests solely with the Company's supervisor or their designee.

This mutual working agreement will be effective from the date of execution until May 30, 1998.

For the	For the
EXETER & HAMPTON ELECTRIC COMPANY	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837, UNIT #1
By:	By:
Scott D. Wade Manager of Operations	Kerry R. Guptill Assistant Business Manager
	By:
	Richard C. Davis, Chief Steward
	By:
	Alan Bowering, Assistant Steward

MUTUAL WORKING AGREEMENT

BETWEEN

EXETER & HAMPTON ELECTRIC COMPANY

AND

I.B.E.W. LOCAL UNION NO. 1837-1

OVERTIME

Due to the nature of the Company's business, employees who have the requirement to be available and/or respond to emergencies are required to work a reasonable amount of overtime.

Employees in the Line and Meter Departments who are unavailable and/or unresponsive for a reasonable amount of unscheduled call outs and do not work a reasonable amount of overtime on a consistent basis shall be subject to being charged refusals and corrective actions.

Employees who have obligations out of their immediate control or have obligations of the legal requirement nature which may affect their availability and/or response are urged to inform their supervisor or manager of these special circumstances in advance.

The Company shall periodically (on a minimum of a ninety (90) day period) review calls made to employees. Consideration will be given to the number of opportunities and calls made to employees, the total number of overtime hours worked, and the reasons for lack of response. If, as a result of this review, the Company considers that an employee's lack of availability or response is excessive a formal meeting will be held with the employee (with Union representation) in order to address the problem. A record of this meeting shall be produced, placed in the employee's personnel file and will be considered a verbal warning subject to progressive steps as outlined in the Company's policy (C.03.22 (G), section 4).

The deterimination as to what is considered excessive shall be when an employee has worked twenty-six percent (26%) less than the average amount of overtime hours within their department and the lack of response or availability is less than fifty percent (50%) of the total number of calls made to the employee. Due to the fact that Utility Lineworkers are not assigned standby duty the determination as to what is considered excessive regarding the amount of overtime hours worked shall be less than fifty percent (50%) of the average amount of overtime hours.

This mutual working agreement will be effective from the date of execution until May 30, 1998.

For the	For the
EXETER & HAMPTON ELECTRIC COMPANY	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837, UNIT #1
By:	By:
Scott D. Wade Manager of Operations	Kerry R. Guptill Assistant Business Manager
	By:
	Richard C. Davis, Chief Steward
	By:
	Alan Bowering, Assistant Steward

UNITIL CORPORATION

Computation in Support of Earnings per Share

	Year Ended December 31,		
	1995	1994	1993
	(000's Omitted)		
PRIMARY EARNINGS PER SHARE			
Net Income	$8,369	$8,038	$7,600
Less: Dividend Requirements on Preferred Stock	284	291	298
Net Income Applicable to Common Stock	$8,085	$7,747	$7,302
Average Number of Common Shares Outstanding	4,299	4,234	4,181
Earnings per Average Common Share Outstanding	$1.88	$1.83	$1.75
FULLY-DILUTED EARNINGS PER SHARE			
Net Income	$8,369	$8,038	$7,600
Less: Dividend Requirements on Preferred Stock	284	291	298
Net Income Applicable to Common Stock	$8,085	$7,747	$7,302
Average Number of Common Shares Outstanding and Equivalents*	4,382	4,306	4,249
Earnings per Average Common Share Outstanding	$1.85	$1.80	$1.72

* Assumes conversions of options outstanding and repurchase of Common Shares outstanding with proceeds.

UNITIL CORPORATION

Computation in Support of Ratio of Earnings to Fixed Charges

	Year Ended December 31,				
	1995	1994	1993	1992	1991
	(000's Omitted)				
EARNINGS					
Net Income, per Consolidated Statements of Earnings	$8,369	$8,038	$7,600	$6,570	$2,365
Federal Income Tax	3,924	3,480	3,627	2,482	940
Deferred Federal Income Tax	(298)	(186)	(179)	565	589
State Income Tax	690	610	610	706	746
Deferred State Income Tax	(16)	72	(154)	74	151
Amortization of Investment Tax Credit	(202)	(211)	(217)	(210)	(212)
Interest on Long-term Debt	5,193	4,825	5,692	5,803	6,147
Amortization of Debt Discount and Expense	72	64	119	143	431
Rents (annual interest component)	572	561	592	610	627
Other Interest	799	909	713	1,003	1,489
Total	$19,103	$18,162	$18,402	$17,746	$13,273
FIXED CHARGES:					
Interest on Long-term Debt	$5,193	$4,825	$5,692	$5,803	$6,147
Amortization of Debt Discount and Expense	72	64	119	143	431
Rents (annual interest component)	572	561	592	610	627
Other Interest	799	909	713	1,003	1,489
Total	$6,636	$6,359	$7,116	$7,559	$8,694
Ratio of Earnings to Fixed Charges	2.88	2.86	2.59	2.35	1.53

* Assumes conversions of options outstanding and repurchase of Common Shares outstanding with proceeds.

Exhibit 21.1

Subsidiaries of Registrant

The Company or the registrant has seven wholly-owned subsidiaries. Six of which are corporations organized under the laws of The State of New Hampshire: CECo, E&H, Unitil Power, Unitil Realty, Unitil Resources and Unitil Service. The seventh, FG&E, is organized under the laws of The State of Massachuesetts.

UT

DEC-31-1995
JAN-01-1995
DEC-31-1995
YEAR
PER-BOOK
129,494,461
42,448
23,617,937
58,547,438
0
211,702,284
1,299,177
29,772,939
63,894,789
32,822,673
3,773,900
225,000
62,211,000
0
0
0
1,294,000
0
3,732,947
741,832
75,828,816
211,702,284
156,670,204
4,134,826
138,310,753
142,445,579
14,224,625
216,860
14,007,765
5,638,969
8,368,796
283,749
8,085,047
5,495,124
5,193,470
17,017,836
1.88
1.85

Exhibit 28.1

Information required by Form 11-K filed pursuant to Section 15(d) of the Securities Exchange Act of 1934 and Rule 15d-21 thereunder for the UNITIL Corporation (UNITIL) Tax Deferred Savings and Investment Plan for the fiscal year ended December 31, 1995.

Item 1. Changes in the Plan

There were no changes to the Plan.

Item 2. Changes in Investment Policy

There were no changes to the Plan's Investment Policy.

Item 3. Contributions under the Plan

The contributions by UNITIL's four subsidiaries: UNITIL Service Corp. (UNITIL Service), Concord Electric Company (CECo), Exeter & Hampton Electric Company (E&H) and Fitchburg Gas and Electric Light Company (FG&E) are nondiscretionary and are measured by reference to employees' contributions.

Item 4. Participating Employees

There were approximately 305 active employees participating in the Plan on December 31, 1995, and 401 total Plan participants.

Item 5. Administration of the Plan

(a) UNITIL, UNITIL Service, CECO, E&H and FG&E are the Plan Administrators. The Plan is administered through the Administrative Committee ("Committee") for each subsidiary. The Present members of each Committee and the position each holds are:

Concord Electric Company

George E. Long, Jr.	Manager of Administrative Services of UNITIL Service.
Richard M. Heath	Vice President and General Manager of CECo.
Mark H. Collin	Treasurer of CECo, E&H, FG&E, UNITIL Power Corp., UNITIL Realty Corp. and Vice President and Treasurer of UNITIL Service.

Exeter & Hampton Electric Company

George E. Long, Jr.	Manager of Administrative Services of UNITIL Service.
Anthony Smoker	Vice President and General Manager of E&H.
Mark H. Collin	Treasurer of CECo, E&H, FG&E, UNITIL Power Corp., UNITIL Realty Corp. and Vice President and Treasurer of UNITIL Service.

Fitchburg Gas And Electric Light Company

M. Mitchell Bodnarchuk	Vice President and General Manager of FG&E.
George E. Long, Jr.	Manager of Administrative Services of UNITIL Service.
Mark H. Collin	Treasurer of CECo, E&H, FG&E, UNITIL Power Corp., UNITIL Realty Corp. and Vice President and Treasurer of UNITIL Service.

UNITIL Service Corp.

Gail A. Siart	Secretary and Treasurer of Unitil Corp., VP and Secretary of UNITIL Service and Secretary of CECo, E&H, UNITIL Power and UNITI L Realty; VP, Treasurer and Secretary of UNITIL Resources, Inc.
Mark H. Collin	Treasurer of CECo, E&H, FG&E, UNITIL Power Corp., UNITIL Realty Corp. and Vice President and Treasurer of UNITIL Service.
George E. Long, Jr.	Manager of Administrative Services of UNITIL Service.

The address for Messr. Heath is One Maguire Street, Concord, NH 03302.
The address for Messrs. Collin, Long and Ms. Siart is 216 Epping Road, Exeter, NH 03833.
The address for Mr. Smoker is 114 Drinkwater Road, Exeter, NH 03833.
The address for Mr. Bodnarchuk is 285 John Fitch Highway, Fitchburg, MA 01420.

(b) No member of any of the Committees or UNITIL, UNITIL Service, CECo, E&H or FG&E received any compensation from the Plan.

Item 6. Custodian of Investments

(a) The First National Bank of Boston (a bank), 100 Federal Street, Boston, MA 02110, is the Trustee of the Plan and custodian of the securities/or other investments of the Plan, except as specifically disclosed in this item.

(b) No compensation was paid to the Trustee or fund managers by the Plan during the fiscal year 1994.

(c) The Trustee has advised that it carries no bond relating specifically to the custody or other investments held by the Plan. The Trustee's regular bonding arrangements are applicable to such custody.

(d) Assets under guaranteed investment contracts are invested in the General Account of Principal Mutual Life Insurance Company, New York Life Insurance Company and The Penn Mutual Life Insurance Company.

(e) Shawmut Bank of Boston, N.A. is the custodian of the Fidelity Puritan Fund and the Fidelity Magellan Fund.

(f) The Plan is covered against losses through fraud or dishonesty by a blanket fidelity bond in the amount of $3,000,000 issued by The Hanover Insurance Company.

Item 7. Reports to Participating Employees

Each participant is furnished a statement of his or her Plan account quarterly.

Item 8. Investment of Funds

(a)(1) The aggregate dollar amounts of brokerage commissions paid by the Plan were:

1995 - $873; 1994 - $560; 1993 - $205.

(a)(2) There were no commissions paid to affiliated brokers during 1995, 1994 and 1993.

Item 9. Financial Statements and Exhibits

(a) Report of Independent Certified Public Accountants and Financial Statements

Report of Independent Certified Public Accountants

Statements of Assets and Liabilities as of December 31, 1995 and 1994

Statements of Income, Expenses and Changes in Net Assets for the three years ended December 31, 1995, 1994 and 1993

Notes to Financial Statements

Schedules:

Schedules I, II and III have been omitted because the required information is shown in the financial statements.

(b) Consent of Independent Auditors

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

UNITIL Corporation

Date: March 29, 1996
By: Gail A. Siart
Chief Financial Officer

98 North Washington Street
Boston, MA 02114-1913
617-723-7900

Grant Thornton
Accountants and
Management Consultants

Consent of Independent Certified Public Accountants

We have issued our report dated March 22, 1996, accompanying the financial statements of The Unitil Corporation Tax Deferred Savings and Investment Plan contained in the information required by Form 11-K included as an exhibit to the Unitil Corporation Annual Report on Form 10-K for the year ended December 31, 1995. We hereby consent to the incorporation by reference of said report in the Registration Statement of the UNITIL Corporation Tax Deferred Savings and Investment Plan on Form S-8 (File No. 33-24436).

GRANT THORNTON LLP

Boston, Massachusetts
March 28, 1996

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
THE UNITIL CORPORATION
TAX DEFERRED
SAVINGS AND INVESTMENT PLAN
December 31, 1995, 1994 and 1993

C O N T E N T S

98 North Washington Street
Boston, MA 02114-1913
617-723-7900

Grant Thornton
Accountants and
Management Consultants

Report of Independent Certified Public Accountants

Administrator of The UNITIL Corporation
Tax Deferred Savings and Investment Plan

We have audited the accompanying statements of net assets available for benefits of The UNITIL Corporation Tax Deferred Savings and Investment Plan as of December 31, 1995 and 1994, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The UNITIL Corporation Tax Deferred Savings and Investment Plan as of December 31, 1995 and 1994, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

GRANT THORNTON LLP

Boston, Massachusetts
March 22, 1996

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 1995

	Employer Loan Account	GIC	Fidelity Puritan	Fidelity Magellan	UNITIL Corporation Stock Fund	Total
Cash and cash equivalents		$ 6,364			$ 29	$ 6,393
Guaranteed insurance contracts		2,497,528				2,497,528
Participant loan receivable	$406,491					406,491
Interest and dividends receivable		167	$ 8	$ 15		190
Investments at market value			1,707,383	3,729,746		5,437,129
Employer securities (UNITIL Common stock at market value)					2,608,791	2,608,791
Net assets available for plan benefits	$406,491	$2,504,059	$1,707,391	$3,729,761	$2,608,820	$10,956,522

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 1994

	Employer Loan Account	GIC	Fidelity Puritan	Fidelity Magellan	UNITIL Corporation Stock Fund	Total
Cash and cash equivalents		$ 77,636	$ 13,799	$ 14,829	$ 6,275	$ 112,539
Guaranteed insurance contracts		2,060,639				2,060,639
Participant loan receivable	$375,679					375,679
Investments at market value			1,157,167	2,645,434		3,802,601
Employer securities (UNITIL Common stock at market value)					1,862,949	1,862,949
Net assets available for plan benefits	$375,679	$2,138,275	$1,170,966	$2,660,263	$1,869,224	$8,214,407

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 1995

	Loan Fund	GIC	Fidelity Puritan	Fidelity Magellan	UNITIL Corporation Stock Fund	Total
Income						
Interest	$ 20,479	$ 139,508	$ 201	$ 429	$ 69	$ 160,686
Dividends			45,147	24,037	151,356	220,540
	20,479	139,508	45,348	24,466	151,425	381,226
Net appreciation in fair value of investments			233,806	934,626	561,928	1,730,360
Contribution						
Participants		200,737	175,177	297,598	156,011	829,523
UNITIL Corporation		64,925	48,917	119,180	69,672	302,694
Rollovers		3,528	15,937	61,238	7,759	88,462
		269,190	240,031	478,016	233,442	1,220,679
Total additions	20,479	408,698	519,185	1,437,109	946,795	3,332,265
Distributions						
Benefits to participants		181,029	94,780	123,200	110,171	509,180
Distributions in stock					80,761	80,761
Other		7	7	15		29
Total deductions		181,036	94,787	123,215	190,932	589,970
Net increase	20,479	227,662	424,398	1,313,894	755,863	2,742,295
Net assets available for plan benefits at beginning of year	375,500	2,138,275	1,170,966	2,660,263	1,869,223	8,214,227
Inter-fund transfers	10,512	138,122	112,027	(244,395)	(16,266)	-
Net assets available for plan benefits at end of year	$406,491	$2,504,059	$1,707,391	$3,729,761	$2,608,820	$10,956,522

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 1994

	Loan Fund	GIC	Fidelity Puritan	Fidelity Magellan	UNITIL Corporation Stock Fund	Total
Income						
Interest	$ 21,588	$ 108,501	$ 69	$ 165	$ 48	$ 130,371
Dividends			37,109	4,491	131,590	173,190
	21,588	108,501	37,178	4,656	131,638	303,561
Net appreciation in fair value of investments			(19,765)	(64,290)	(359,654)	(443,709)
Contribution						
Participants		174,229	155,036	321,079	182,376	832,720
UNITIL Corporation		51,576	40,226	113,925	74,659	280,386
Rollovers				13,098	13,098	26,196
Other		42				42
		225,847	195,262	448,102	270,133	1,139,344
Transfer from Fitchburg Gas and Electric Light Company Union Tax Deferred Savings and Investment Plan (note G)	9,049	232,646	253,594	175,394	376,618	1,047,301

Total additions	30,637	566,994	466,269	563,862	418,735	2,046,497
Distributions						
Benefits to participants		14,345	9,563	51,649	83,826	159,383
Distributions in stock					51,140	51,140
Other		6	5	10	3	24
Total deductions		14,351	9,568	51,659	134,969	210,547
Net increase	30,637	552,643	456,701	512,203	283,766	1,835,950
Net assets available for plan benefits at beginning of year	282,905	1,668,302	738,724	2,109,717	1,578,809	6,378,457
Inter-fund transfers	62,137	(82,670)	(24,459)	38,343	6,649	-
Net assets available for plan benefits at end of year	$375,679	$2,138,275	$1,170,966	$2,660,263	$1,869,224	$8,214,407

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 1993

	Loan Fund	GIC	Fidelity Puritan	Fidelity Magellan	UNITIL Corporation Stock Fund	Total
Income						
Interest	$ 23,517	$ 102,654	$ 47	$ 82	$ 38	$ 126,338
Dividends			28,703	20,192	83,566	132,461
	23,517	102,654	28,750	20,274	83,604	258,799
Net appreciation in fair value of investments			93,646	356,311	98,562	548,519
Contribution						
Participants		144,898	77,453	209,959	132,764	565,074
UNITIL Corporation		61,841	34,015	101,193	69,865	266,914
		206,739	111,468	311,152	202,629	831,988
Total additions	23,517	309,393	233,864	687,737	384,795	1,639,306
Distributions						
Benefits to participants		13,999	29,881	40,063	33,573	117,516
Net increase	23,517	295,394	203,983	647,674	351,222	1,521,790
Net assets available for plan benefits at beginning of year	236,539	1,395,516	558,929	1,513,045	1,152,638	4,856,667
Inter-fund transfers	22,849	(22,608)	(24,188)	(51,002)	74,949	-
Net assets available for plan benefits at end of year	$282,905	$1,668,302	$738,724	$2,109,717	$1,578,809	$6,378,457

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 1995, 1994 and 1993

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The following description of The UNITIL Corporation and subsidiaries (the "Company") Tax Deferred Savings and Investment Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all full-time employees of the Company and its' wholly owned subsidiaries UNITIL Service Corporation, Concord Electric Company, Exeter and Hampton Electric Company and Fitchburg Gas and Electric Light Company (the "subsidiaries"), who satisfy the eligibility requirements.

Contributions

A member may authorize a Basic Employee Contribution from 1% to 12% with a maximum contribution not to exceed $9,240 in any one year.

The Employer shall contribute as of December 31, of each plan year from current or accumulated net profits on behalf of each member participating in the Plan on December 31, of each plan year, an amount equal to 100% of the first 3% of salary the employee puts into the plan (except Fitchburg Gas and Electric Light Company Union Employees whose matching is as follows: first year 1%, second year 2%, third year and after 3%).

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged (as applicable) with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Plan administrator will pay for substantially all expenses of the Plan.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested after three years of credited service. If a participant terminates employment for any reason other than disability or retirement, he will be entitled to the full amount of contributions he has deposited, plus a percentage of his account balance derived from employer contributions based upon the following schedule:

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - Continued

Year of Service	% Vested
0-1	0%
1-2	33%
2-3	67%
3+	100%

A member will become 100% vested in his account as a result of disability, death or retirement.

Participant Loans Receivable

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their account balance. Net loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loans fund. Loan terms range from 1-5 years. The loans are secured by the balance in the participant's account and bear interest at a rate of prime plus one percent (1%). Principal and interest is paid ratably through monthly payroll deductions.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a fixed number of calendar quarters or years.

Valuation of Investments

Investments are held by a bank-administered trust fund. The Plan's investments (including investments bought, sold and held during the year) are carried at current fair value. The difference between current fair value and the cost of investments are reflected in the statement of changes in net assets available for plan benefits as unrealized appreciation or (depreciation) in fair value of investments.

Guaranteed Insurance Contracts

The Plan's deposit administration contracts with various insurance companies are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuitiesand pay administration expenses charged by insurance companies.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - Continued

Reclassifications

Certain reclassifications have been made to the 1994 and 1993 financial statements to conform with the current year presentation.

Management Estimates

In preparing the financial statements in conformity to Generally Accepted Accounting Principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - SUMMARY OF PLAN PROVISIONS

Effective Date

The Plan's effective date is July 1, 1987, as amended effective May 8, 1992 and January 1, 1994. The Plan as amended effective May 8, 1992, provided for the merger of the Fitchburg Gas and Electric Tax Deferred Savings and Investment Plan with The Plan. The Plan as amended effective January 1, 1994, provided for the merger of the Fitchburg Gas and Electric Light Company Union Tax Deferred Savings and Investment Plan into the Plan.

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value except for its investment contract which is valued at contract value. The Company stock is valued at is quoted market price. Participant notes receivable are valued at cost which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

NOTE B - SUMMARY OF PLAN PROVISIONS - Continued

Payment of Benefits

Benefits are recorded when paid.

Investment Contract with Insurance Company

The Plan entered into an investment contract with three insurance companies (the "Companies"). The Companies maintain the contributions in a pooled account. The account is credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses charged by the insurance companies. The contract is included in the financial statements at contract value, as reported to the Plan by the Companies. Contract value represents contributions made under the contract, plus earnings, less Plan withdrawals and administrative expenses.

Eligibility

Employees are eligible for membership on either January 1 or July 1 coincident with or the next day following on which they have both:

(1) Attained the age of 18, and
(2) Completed 1000 hours of credited service

Normal Retirement Date

A participant's normal retirement benefit date is the date he reaches his 65th birthday or, if later, the 10th anniversary of the date he becomes a participant.

Forfeitures

A member who terminates his employment prior to becoming eligible for benefits and does not have a 100% vested right to Company contributions, forfeits the amounts not vested. Such forfeited amounts are used to reduce future Company contributions.

NOTE B - SUMMARY OF PLAN PROVISIONS - Continued

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan at any time subject to the provision of ERISA with respect to its employees by a written resolution with a copy delivered to the trustee. In the event of a Plan termination, participants will become fully vested in their accounts.

NOTE C - INVESTMENT PROGRAMS

The investment programs of the Plan are as follows:

Participant contributions - upon enrollment and reenrollment, each participant shall direct that his contributions are to be invested in accordance with any of the following investment options.

In the Guaranteed Investment Fund (GIC), which will be invested primarily in guaranteed insurance contracts with various insurance companies. At December 31, 1995, there were 186 participants.

In the Fidelity Puritan Fund, a Conservative Investment Fund. This fund will be invested in various investments including stocks and bonds placing emphasis on income and stability. At December 31, 1995, there were 180 participants.

In the Fidelity Magellan Fund, an Aggressive Investment Fund. This fund will be invested in stocks placing more emphasis on investment return and less on stability. At December 31, 1995, there were 261 participants.

In The UNITIL Corporation Common Stock Fund (UNITIL Corporation, no par value common stock). At December 31, 1995, there were 217 participants.

In any combination of the above funds

The total number of participants in the plan was 386 at December 31, 1995, which is less than the sum of the number of participants listed above because many were participating in more than one fund.

Participants may change their investment options quarterly.

The loan fund had new loans approximating $174,500 and $173,100 and repayments on loans approximating $164,000 and $111,100 for 1995 and 1994, respectively.

NOTE D - DETERMINATION LETTER

The Internal Revenue Service has determined and informed the Company by a letter dated May 9, 1995, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC).

NOTE E - INVESTMENTS

	December 31, 1995			December 31, 1994		
	Shares	Cost	Approximate Current Fair Value	Shares	Cost	Approximate Current Fair Value
Fidelity Puritan	100,375	$1,537,629	$1,707,383	78,134	$1,170,511	$1,157,167
Fidelity Magellan	43,379	2,990,734	3,729,746	39,602	2,582,710	2,645,434
UNITIL Stock Fund	124,972	2,079,668	2,608,791	114,643	1,879,108	1,862,949
		$6,608,031	$8,045,920		$5,632,329	$5,665,550

Net realized gains and (losses) included in net appreciation/(depreciation) in fair value of investments approximated $307,000, $59,000 and $255,000, respectively, for the years ended December 31, 1995, 1994 and 1993. Net realized gains and (losses) included in net appreciation/(depreciation) in the UNITIL Stock Fund were $18,000, $(63,000) and $8,000, respectively, for the years ended December 31, 1995, 1994 and 1993. Proceeds from the sale of investments approximated $633,884 and $363,000 for the years ended December 31, 1995 and 1994, respectively. Determination of gains or losses is based on average cost.

NOTE F - NET UNREALIZED APPRECIATION/(DEPRECIATION) OF INVESTMENTS

	Fidelity Puritan	Fidelity Magellan	Unitil Corporation Stock Fund	Total
Balance at December 31, 1992	$ 20,618	$ 32,525	$189,566	$ 242,709
Change for the year 1993	26,551	175,922	90,632	293,105
Balance at December 31, 1993	47,169	208,447	280,198	535,814
Change for the year 1994	(60,513)	(145,723)	(296,357)	(502,593)
Balance at December 31, 1994	(13,344)	62,724	(16,159)	33,221
Change for the year 1995	183,098	676,288	545,282	1,404,668
Balance at December 31, 1995	$169,754	$739,012	$529,123	$1,437,889

NOTE G - TRANSFER OF THE FITCHBURG GAS AND ELECTRIC LIGHT COMPANY UNION TAX DEFERRED SAVINGS AND INVESTMENT PLAN AND TAX DEFERRED SAVINGS AND INVESTMENT PLAN

The Fitchburg Gas and Electric Light Company Union Tax Deferred

Savings and Investment Plan has been incorporated into The Plan as of January 1, 1994. As of January 1, 1994 $1,047,301 was transferred into this Plan.

In 1992, the Fitchburg Gas and Electric Light Company ESOP Plan had been incorporated into the Fitchburg Gas and Electric Light Company Union Tax Deferred Savings and Investment Plan (which as noted above has subsequently been merged into the UNITIL Corporation Tax Deferred Savings and Investment Plan). The investment instruments as of May 1, 1989, were transferred into the Plan as the Frozen ESOP Fund which is included in the UNITIL Corporation Stock Fund and will be distributed in accordance with the original Plan.

The Fitchburg Gas and Electric Light Company became a wholly-owned subsidiary of The UNITIL Corporation as a result of a merger which occurred in 1992.

Unitil

March 18, 1996

Dear Fellow Shareholder,

The Annual Meeting of Common Shareholders is scheduled to be held on Thursday, April 18, 1996, at 10:30 a.m., at The Sheraton Portsmouth Hotel, 250 Market Street, Portsmouth, New Hampshire.

Enclosed you will find a 1995 annual report, a notice of meeting, a proxy statement and a proxy card to be used in connection with the meeting. This year, shareholders are being asked to vote on the election of three Directors.

We hope that you are able to attend the Annual Meeting. Your vote is important whether you own one share or many. Whether or not you plan to be present, we urge you to sign and promptly return the enclosed proxy card in the envelope provided.

Thank you for your continued interest in the Company.

Sincerely,

Peter J. Stulgis
Chairman of the Board of Directors
and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF COMMON SHAREHOLDERS

Exeter, New Hampshire
March 18, 1996

To the Common Shareholders:

You are hereby notified that the annual meeting of common shareholders of Unitil Corporation will be held at The Sheraton Portsmouth Hotel, 250 Market Street, Portsmouth, New Hampshire, on April 18, 1996, at 10:30 A.M., for the following purposes:

1. To elect three Directors.

2. To act on such other matters as may properly come before the meeting and anyadjournments thereof.

The enclosed form of proxy has been prepared at the direction of the Board of Directors of Unitil and is sent to you at its request. The persons named in said proxy have been designated by the Board of Directors.

If you do not expect to be present personally and you wish your stock voted at the meeting, please sign, date and return the proxy card enclosed herewith by mail in the postage-paid envelope, also enclosed. If you later find that you can be present, or for any other reason desire to revoke or change your proxy, you may do so at any time before it is voted.

The Board of Directors fixed March 4, 1996 as the record date for the determination of those shareholders entitled to notice of and to vote at this meeting and all persons who were holders of record of Common Stock on such date and no others are entitled to notice of and to vote at this meeting and any adjournments thereof.

By Order of the Board of Directors,

Gail A. Siart
Secretary

Unitil
216 Epping Road
Exeter, New Hampshire 03833-4571

March 18, 1996

Proxy Statement

ANNUAL MEETING OF COMMON SHAREHOLDERS, APRIL 18, 1996

This proxy statement is furnished in connection with the solicitation by the Board of Directors of proxies in the accompanying form for use at the 1996 annual meeting of common shareholders of Unitil Corporation ("Unitil" or "the Company"). Each proxy can be revoked at any time before it is voted by written notification to the Secretary of Unitil at the above address prior to the meeting, or in person at the meeting. Every properly signed proxy will be voted unless previously revoked.

Unitil presently has seven subsidiaries, Concord Electric Company ("CECo"), Exeter & Hampton Electric Company ("E&H"), Fitchburg Gas and Electric Light Company ("FG&E"), Unitil Power Corp. ("Unitil Power"), Unitil Realty Corp. ("Unitil Realty"), Unitil Resources, Inc. ("Unitil Resources") and Unitil Service

Corp. ("Unitil Service").

The annual report of Unitil for the year 1995 is enclosed herewith and includes financial statements which are not part of this proxy statement.

The voting securities of Unitil issued and outstanding on March 4, 1996 consisted of 4,338,434 shares of Common Stock, no par value, entitling the holders thereof to one vote per share. Holders of Common Stock of record on such date are entitled to notice of and to vote at the annual meeting and any adjournments thereof. A majority of the outstanding shares of Common Stock constitutes a quorum.

Except as set forth below, no person owns of record and, to the knowledge of Unitil, no person owns beneficially more than five percent of the Common Stock of Unitil which may be voted at the meeting and any adjournments thereof.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Shares Outstanding
Charles H. Tenney II 300 Friberg Parkway Westborough, MA 01581	270,659 (1)	6.18%

NOTES:

(1) Based on information provided by Mr. Tenney. See notes 2, 3 and 6 to the table below under the heading "As to the Election of Directors."

The eleven Directors and the officers of Unitil as a group have beneficial ownership as of March 1, 1996 of 312,071 (7.19%) of Common Stock, of which they have direct beneficial ownership of 157,009 shares (3.62%), which excludes options to purchase 137,234 shares (3.16%) pursuant to the exercise of those options, and indirect beneficial ownership of 155,062 shares (3.57%). To the knowledge of Unitil, each of said Directors and officers has voting and investment power with respect to the shares directly owned. With regard to certain of the indirect beneficial ownership by said group, see the footnotes to the table contained in the section of this proxy statement entitled "AS TO THE ELECTION OF DIRECTORS" setting forth certain information about the Directors of Unitil.

Assuming a quorum is present, the favorable vote of a majority of the shares of Common Stock represented and voting will be required for approval of all matters, including the election of Directors, which may come before the meeting.

AS TO THE ELECTION OF DIRECTORS

The By-Laws of Unitil provide for a Board of between nine and fifteen Directors divided into three classes, each class being as nearly equal in number as possible, and each with their respective terms of office arranged so that the term of office of one class expires in each year, at which time a corresponding number of Directors is elected for a term of three years. Unitil currently has eleven Directors.

Information about Nominees for Directors

Each nominee has been a member of the Board of Directors since the date indicated. Proxies will be voted for the persons whose names are set forth below unless instructed otherwise. If any nominee shall be unable to serve, the proxies will be voted for such person as may be designated by management to replace such nominee. Each of the nominees has consented to being named in this proxy statement and to serve if elected. Unless otherwise indicated, all shares shown represent sole voting and investment power.

	Director Since	Common Stock Owned Beneficially on March 1, 1996 (1)
Douglas K. Macdonald, Age 67 Retired since 1998. Prior to his retirement, Mr. Macdonald was Vice President and Controller of Unitil and President of Ceco.	1984	924
Charles H. Tenney II, Age 77 Retired since 1992. Prior to his retirement, Mr. Tenney was Chairman of the Board and Chief Executive Officer of Unitil and FG&E. Mr. Tenney is the Chairman of the Board of Directors of Bay State Gas Company, Westborough, MA (natural gas distributor).	1984	270,659(2)(3)(4)(5)(6)
William W. Treat, Age 77 Lawyer; sole private practice, former Director and Chairman of the Board of D rectors of Bank Meridian, Hampton, NH, and a former Director of Amoskeag Bank Shares, Inc., Manchester, NH. Mr. Treat is also a former Director of the Colonial Group, Inc., Boston, MA (investments).	1984	20,345 (7)

Information about Directors Whose Terms of Office Continue

	Director Since	Term to Expire	Common Stock Owned Beneficially on March 1, 1996 (1)

Michael J. Dalton, Age 55 President and Chief Operating Officer of Unitil.	1984	1998	56,442(2)(3)(5)(8)
G. Arnold Haynes, Age 67 President and Principal of Haynes Management, Inc., Wellesley Hills, MA (real estate development and management).	1992	1998	3,444
J. Parker Rice, Jr., Age 70 Director, former President and Treasurer of Hyland/Rice Office Products, Inc., Fitchburg, MA (office products dealer).	1992	1998	1,016
Peter J. Stulgis, Age 45 Chairman of the Board and Chief Executive Officer of Unitil.	1984	1997	48,942(2)(3)(5)(9)
Charles H. Tenney III, Age 48 (4) Elected officer (Clerk) of Bay State Gas Company, Westborough, MA (natural gas distributor).	1992	1997	2,568
W. William VanderWolk, Jr., Age 72 Owner of Horizon Management, Manchester, NH (property and restaurant management).	1984	1997	15,140 (10)
Joan D. Wheeler, Age 58 Owner of the Russian Gallery, Marblehead, MA (art gallery). Ms. Wheeler is a former Director of Shaw's Supermarkets, Inc. (1979 - 1987) and of Granite Bank (1984 - 1989), Keene, NH, and a former Trustee of Franklin Pierce College.	1994	1998	1,000
Franklin Wyman, Jr., Age 74 Chairman of the Board and Treasurer of Wright Wyman, Inc., Boston, MA (corporate financial consultants). Mr. Wyman is a Trustee and Vice President of Brookline Savings Bank, Brookline, MA.	1992	1997	5,000

NOTES:

Except as otherwise noted, each of the persons named above has held his present position (or another executive position with the same employer) for more than the past five (5) years.

(1) Based on information furnished to Unitil by the nominees and continuing Directors.
(2) Included are 3,176, 3,522 and 3,918 shares which are held in trust for Messrs. Stulgis, Dalton and Tenney, respectively, under the terms of the Unitil Tax Deferred Savings and Investment Plan ("401(k)"); they have voting power only with respect to the shares credited to their accounts. For further information regarding 401(k), see "Other Compensation Arrangements - Tax-Qualified Savings and Investment Plan" below.
(3) Included are 38,743, 40,532 and 38,743 shares which Messrs. Stulgis, Dalton and Tenney, respectively, have the right to purchase pursuant to the exercise of options under the Key Employee Stock Option Plan. (See "Other Compensation Arrangements - Key Employee Stock Option Plan").
(4) Charles H. Tenney II is the father of Charles H. Tenney III.
(5) With the exception of Messrs. Stulgis, Dalton and Tenney, who own shares totaling 1.12%, 1.29% and 6.18%, respectively, of the total outstanding shares, no Director or officer owns more than one percent of the total outstanding shares.
(6) Included are 124,522 shares (2.87%) owned by two trusts of which Mr. Tenney is Co-Trustee with shared voting and investment power; he has a 1/6 beneficial interest in both trusts and disclaims any beneficial ownership of such shares other than such 1/6 beneficial interest.
(7) Included are 5,387 shares owned by three trusts of which Mr. Treat is Trustee with voting and investment power; he has no beneficial interest in such shares. Also included are 10,500 shares owned by one organization in which Mr. Treat has shared voting and investment power and a 1/3 beneficial interest, and also 500 shares owned by a member of Mr. Treat's family; he has no voting or investment power with respect to, and no beneficial interest in, such shares.
(8) Included are 12,303 shares held by Mr. Dalton jointly with his wife with whom he shares voting and investment power. Included are 49 shares held by Mr. Dalton as custodian for one of his children; he has voting and investment power with respect to such shares.
(9) Included are 6,209 shares held by Mr. Stulgis jointly with his wife with whom he shares voting and investment power.
(10) Included are 3,254 shares owned by a member of Mr. VanderWolk's family; he has no voting or investment power with respect to, and no beneficial interest in, such shares.

The Board of Directors met five times in 1995. During 1995, Directors attended an average of 99% of all meetings of the Board of Directors held and of all meetings held by all Committees of the Board on which they served, if any.

Section 17(a) of the Public Utility Holding Company Act of 1935 and Section 16(a) of the Securities Exchange Act of 1934 require the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file certain reports of ownership and changes in share ownership with the Securities and Exchange Commission and the American Stock Exchange and to furnish the Company with copies of all Section 17(a) and Section 16(a) forms they file. Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that such forms were not required for those persons, the Company believes that all filing requirements applicable to its officers and directors during 1995 and through March 1, 1996 were met, except that G. Arnold Haynes, a director of the Company, filed a Form 4 to report the purchase of 100 shares of Common Stock of the Company approximately 30 days after such form was required to be filed.

Compensation of Directors

Members of the Board of Directors who are not officers of Unitil or any of its subsidiaries receive an annual retainer fee of $7,000 and $500 for each Board meeting attended. Members of the Executive Committee, who are not officers of Unitil or any of its subsidiaries, receive an annual retainer fee of $2,000 and $400 for each meeting attended. Members of the Audit Committee and Compensation Committee receive an annual retainer fee of $1,000 and $400 for each meeting attended. Those Directors of Unitil who also serve as Directors of CECo, E&H or FG&E and who are not officers of Unitil or any of its subsidiaries receive a meeting fee of $100 per subsidiary meeting attended and no annual retainer fee from CECo, E&H or FG&E. All Directors are entitled to reimbursement of expenses incurred in connection with attendance at meetings of the Board of Directors and any Committee on which they serve.

In 1992, the Company entered into a Senior Advisory Agreement with Charles H. Tenney II. Mr. Tenney was Chief Executive Officer and Chairman of the Board of the Company until his retirement in 1992. The agreement, which is reviewed on an annual basis, provides that Mr. Tenney will be compensated $105,000 per annum for his role as Chairman of the Executive Committee of the Board of the Company, as well as for other advisory services which he will provide. In consideration of this Agreement, Mr. Tenney is waiving all Board-related fees and retainers that he is otherwise entitled to receive as a Director of the Company.

Committees of the Board of Directors

Executive Committee

The Executive Committee of the Board of Directors held two meetings in 1995. Its members are Charles H. Tenney II (Chairman), Peter J. Stulgis, William W. Treat, W. William VanderWolk, Jr. and Franklin Wyman, Jr. This Committee's responsibility is to review and oversee corporate policies related to the Company's long-range strategic business, financial and operating plans. In addition, the Executive Committee also acts as a nominating committee. In its function as a nominating committee, the committee coordinates suggestions or searches for potentialnominees for Board members; reviews and evaluates qualifications of potential Board members; and recommends to the Board of Directors nominees for vacancies occurring from time to time on the Board of Directors. The Committee will consider nominees recommended by shareholders upon timely submission of the names of such nominees with qualifications and biographical information forwarded to the Executive Committee of the Board of Directors.

Audit Committee

The Audit Committee of the Board of Directors, which held two meetings in 1995, consists of William W. Treat (Chairman), J. Parker Rice, Jr. and W. William VanderWolk, Jr. The duties of this Committee encompass making recommendations on the selection of Unitil's independent auditors; conferring with such auditors regarding, among other things, the scope of their examination, with particular emphasis on areas where special attention should be directed; reviewing the accounting principles and practices being followed by Unitil; assessing the adequacy of Unitil's interim and annual financial statements; reviewing the internal audit controls of Unitil and its subsidiaries; performing such other duties as are appropriate to monitor the accounting and auditing policies and procedures of Unitil and its subsidiaries; and reporting to the full Unitil Board from time to time.

Compensation Committee

The Compensation Committee of the Board of Directors, which held three meetings in 1995, consists of Charles H. Tenney II (Chairman), J. Parker Rice, Jr. and Joan D. Wheeler. The duties of this Committee include studying and making recommendations to the Board of Directors of Unitil and the appropriate Board of each of its subsidiaries with respect to salaries and other benefits to be paid to the officers of Unitil and such subsidiaries.

Compensation Committee Interlocks and Insider Participation

Charles H. Tenney II served as the Chairman of the Compensation Committee during fiscal 1995. Mr. Tenney is the former Chairman of the Board of Directors and Chief Executive Officer of the Company, serving as such until his retirement in April 1992. He currently has a Senior Advisory Agreement with the Company (see "Compensation of Directors") and is also Chairman of the Executive Committee of the Board of Directors.

Director Emeritus

The Company has a directors' advisory council composed of retired members of the Company's Board of Directors. Each member, known as a Director Emeritus, is appointed yearly by the Board of Directors to render advisory services to the Board. Directors Emeriti have no vote with respect to any matter acted upon by the Board, nor is their presence counted for purposes of determining a quorum. Directors Emeriti Richard L. Brickley, Philip H. Bradley, Theodore C. Haffenreffer, Jr. and Endicott Smith were initially appointed to their positions in 1992, 1993, 1994, and 1995, respectively. Directors Emeriti receive an annual retainer of $7,000 and $500 for each Board meeting attended, as well as reimbursement for any expenses incurred in connection with attendance at any meeting.

Report of the Compensation Committee

The overall objective of the Company's Board of Directors, and specifically this Compensation Committee, in setting compensation for Unitil's executive officers is to foster excellence in the management of the assets of the Company. To help meet this objective, the Committee believes it is important for the Company to provide compensation to its executive officers which varies directly with the performance of the Company and to make payment of annual compensation with both cash and Company stock in place of all-cash.

Accordingly, the Company pays both "base" and "variable" compensation to its officers. The base component of compensation is determined under the Unitil System's salary matrix which is reviewed from time to time by outside consultants as to its competitiveness. Variable compensation is based on factors that measure the success of the Company for any given year and is governed by the System's Management Performance Compensation Plan ("MPCP") and the profitability of the System's non-utility subsidiary, Unitil Resources. The factors under the MPCP relate to the earnings of the Company and the rate of return achieved on shareholder-provided equity as well as cost control and the competitiveness of the rates charged to the Unitil System's utility customers. In addition, to further bolster ownership in the Company by the executive officers, the Company, in 1989, instituted a "Key Employee Stock Option Plan" with the approval of the Company's shareholders. This plan was tailored to emphasize dividend and stock value growth as a prerequisite to the maximization of value to the participants.

The compensation of the Chief Executive Officer ("CEO"), Peter J. Stulgis, is governed by these same plans and objectives. The base compensation for Mr. Stulgis was increased by approximately 3.4% in 1995 which reflected the percentage increase in the Unitil System's salary matrix which covers all non-bargaining unit employees. The variable compensation paid to Mr. Stulgis in 1995 was based upon the Unitil System's operating results for 1994 under the MPCP discussed above and a distribution from a performance pool related to the 1995 results of the System's newly formed non-utility subsidiary, Unitil Resources. Under the MPCP, Mr. Stulgis received a payment in cash and Company stock which represented 25% of his total compensation. This MPCP payment is formula-driven and reflected the achievement in 1994 of earnings which were above target levels; a rate of return which was in the 89th percentile of peer companies; cost control results which were at the 100th percentile of peer companies; and residential utility rates which were at the 97th percentile of the peer group. The distribution from the Unitil Resources 1995 performance pool was based upon its contribution to System earnings and was equal to 9.2% of his total compensation. In setting the compensation of Mr. Stulgis for 1995, the Committee independently reviewed the current compensation data for over fifty companies which included all of the companies used as the peer group in the Stock Performance Graph shown below. Based upon this review, the Committee found that the total compensation to be paid to the CEO fell within the same range of compensation paid to the CEO's of companies of like size, location and industry, and believes it was appropriately linked to corporate performance.

The Committee also approved the compensation of Unitil's other executive officers for 1995 following the principles and procedures outlined in this report.

Compensation Committee Members
Charles H. Tenney II, Chairman, J. Parker Rice, Jr., and Joan D. Wheeler

Stock Performance Graph and Information

COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURNS

Graph Here

The graph assumes $100 invested on December 31, 1990, in each category and the reinvestment of all dividends during the period. The Peer Group is comprised of the 11 investor-owned New England electric utilities.

The results show Unitil with a $203 5-year return, the Peer Group a $181 5-year return and the S&P a $213 5-year return.

Compensation of Officers

The tabulation below shows the compensation Unitil, or any of its subsidiaries, has paid to its Chief Executive Officer and its most highly compensated officers whose total annual salary and bonus were in excess of $100,000 during the year 1995.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation Awards		Long-Term Compensation Payouts	
Name and Principal Position (1)	Year	Salary ($)	Bonus ($)(2)	Other Annual Comp.($)	Restricted Stock Awards	Options (#)	LTIP Payouts	All Other Compensation ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Peter J. Stulgis	1995	$215,300	$110,411	-	-	-	-	$12,529(3)
Chairman of the	1994	$208,300	$ 94,394	-	-	-	-	
Board & CEO	1993	$202,000	$ 74,307	-	-	-	-	
Michael J. Dalton	1995	$164,400	$ 63,347	-	-	-	-	$ 8,659(4)
President & Chief	1994	$159,600	$ 61,932	-	-	-	-	
Operating Officer	1993	$155,000	$ 50,216	-	-	-	-	
Gail A. Siart(5)	1995	$ 90,000	$ 47,228	-	-	3,000(6)	-	$ 4,364(7)
Chief Financial	1994	$ 79,033	$ 24,928	-	-	-	-	
Officer, Treasurer	1993	$ 75,100	$ 17,558	-	-	-	-	
and Secretary								

James G. Daly(5) Senior Vice President, Unitil Service	1995	$ 88,675	$ 47,228	-	-	3,000(6)	-	$ 4,471(8)
	1994	$ 76,517	$ 29,128	-	-	-	-	
	1993	$ 72,150	$ 21,216	-	-	-	-	
George R. Gantz(5) Senior Vice President, Unitil Service	1995	$ 89,000	$ 42,428	-	-	3,000(6)	-	$ 4,644(9)
	1994	$ 78,408	$ 27,228	-	-	-	-	
	1993	$ 75,050	$ 19,558	-	-	-	-	

NOTES:

(1) Officers of the Company also hold various positions with subsidiary companies. Compensation for those positions is included in the above table.

(2) Bonus amounts for the years 1994 and 1995 are comprised of Management Performance Compensation Program (MPCP) cash and stock awards and distributions from the System's non-utility subsidiary, Unitil Resources. Unitil maintains a management performance compensation program ("MPCP") for certain management employees, including Executive Officers. The MPCP provides for awards to be calculated annually and paid in a combination of cash and Unitil Common Stock. Awards are based on several factors designed to reflect the Company's performance and the attainment of individual performance goals.

(3) All Other Compensation for Mr. Stulgis for the year 1995 includes the company's contribution to the Tax Qualified Savings and Investment Plan ("401(K)"), Supplemental Life Insurance payment, and Group Term Life Insurance payment, valued at $4,500, $6,937 and $1,092, respectively.

(4) All Other Compensation for Mr. Dalton for the year 1995 includes, 401(K) company contribution, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at $4,500, $2,558 and $1,601, respectively.

(5) Ms. Siart was named Chief Financial Officer of the Company and Senior Vice President of Unitil Service in December 1994. Mr. Daly and Mr. Gantz were named Senior Vice Presidents of Unitil Service in December, 1994.

(6) Options were granted under the Key Employee Stock Option Plan (see the table "Option Grants in Last Fiscal Year" and subsequent notes).

(7) All Other Compensation for Ms. Siart for the year 1995 includes 401(K) company contribution, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at $3,825, $369 and $170, respectively.

(8) All Other Compensation for Mr. Daly for the year 1995 includes 401(K) company contribution, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at $3,786, $517 and $168, respectively.

(9) All Other Compensation for Mr. Gantz for the year 1995 includes 401(K) company contribution, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at $3,651, $732 and $261, respectively.

Other Compensation Arrangements

OPTION GRANTS IN LAST FISCAL YEAR (1)

	Individual Grants					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
			Option Price				
Name (a)	Number of Securities Underlying Options Granted (#) (b)	% of Total Options Granted to Employees in Fiscal Year (c)	Exercise or Base Price ($/Sh) (d)	Market Price on Date of Grant	Exp Date (e)	5% ($) (f)	10% ($) (g)
Peter J. Stulgis Chairman of the Board & CEO	-	-	-	-	-	-	-
Michael J. Dalton President & Chief Operating Officer	-	-	-	-	-	-	-
Gail A. Siart(5) Chief Financial Officer, Treasurer and Secretary	3,000	17.65%	$14.56	$17.125	3/7/99	$18,767	$31,538
James G. Daly(5) Senior Vice President, Unitil Service	3,000	17.65%	$14.56	$17.125	3/7/99	$18,767	$31,538
George R. Gantz(5) Senior Vice President, Unitil Service	3,000	17.65%	$14.56	$17.125	3/7/99	$18,767	$31,538

NOTES:

(1) Upon the exercise of any option by an employee and upon payment of the option price for shares of Unitil Common Stock as to which the option was granted (the "Primary Shares"), Unitil will cause to be delivered to such employee (i) the Primary Shares and (ii) the number of shares of Unitil Common Stock (the "Dividend Equivalent Shares") equal to the dollar amount of dividends which would have been paid on the Primary Shares (and previously accrued Dividend Equivalent Shares)

had they been outstanding, divided by the fair market value of Unitil Common Stock determined as of the record date for each dividend.

The table below provides information with respect to options to purchase shares of the Company's Common Stock exercised in fiscal 1995 and the value of unexercised options granted in prior years under the Option Plan to the named executive officers in the Summary Compensation Table and held by them as of December 31, 1995.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR (FY) AND FY-END OPTION VALUES(1)

Name (a)	Shares Acquired on Exercise (#) (b)	Value Realized ($) (c)	Number of Unexercised Options at FY-End (#) (2) Exercisable/ Unexercisable (d)	Value of Unexercised In-the-Money Options at FY-End ($) Exercisable/ Unexercisable (e)
Peter J. Stulgis Chairman of the Board & CEO	-	-	exercisable 24,000 unexercisable 0	exercisable $296,280 unexercisable $0
Michael J. Dalton President & Chief Operating Officer	-	-	exercisable 24,000 unexercisable 0	exercisable $292,200 unexercisable $0
Gail A. Siart(5) Chief Financial Officer, Treasurer and Secretary	-	-	exercisable 5,078 unexercisable 0	exercisable $ 48,266 unexercisable $0
James G. Daly(5) Senior Vice President, Unitil Service	-	-	exercisable 5,032 unexercisable 0	exercisable $ 42,998 unexercisable $0
George R. Gantz(5) Senior Vice President, Unitil Service	-	-	exercisable 5,078 unexercisable 0	exercisable $ 48,266 unexercisable $0

NOTES:

(1)The Option Plan authorizes the Committee to provide in the award agreements that the participant's right to exercise the options provided for therein will be accelerated upon the occurrence of a "Change in Control" of Unitil. The term "Change in Control" is defined in substantially the same manner as in the Severance Agreements as defined below. All of the award agreements entered into with participants in the Option Plan to date contain such a "Change in Control" provision. Each award agreement also provides that, upon the exercise of an option on or after a Change in Control, Unitil shall pay to the optionee, within five business days, a lump sum cash amount equal to the economic benefit of the optionee's outstanding options and associated dividend equivalents that the optionee would have received had the option remained unexercised until the day preceding the expiration of the grant.

(2)Amounts listed in column (d) in the table above do not include non-preferential dividend equivalents associated with options outstanding.

Unitil maintains a tax-qualified defined benefit pension plan and related trust agreement (the "Retirement Plan"), which provides retirement annuities for eligible employees of Unitil and its subsidiaries. Since the Retirement Plan is a defined benefit plan, no amounts were contributed or accrued specifically for the benefit of any officer of Unitil under the Retirement Plan. Directors of Unitil who are not and have not been officers of Unitil or any of its subsidiaries are not eligible to participate in the Retirement Plan.

The table below sets forth the estimated annual benefits (exclusive of Social Security payments) payable to participants in the specified compensation and years of service classifications, assuming continued active service until retirement. The average annual earnings used to compute the annual benefits are subject to a $150,000 limit.

PENSION PLAN TABLE

Average Annual Earnings Used for Computing Pension	ANNUAL PENSION 10 Years of Service	20 Years of Service	30 Years of Service	40 Years of Service
$100,000	20,000	40,000	50,000	55,000
$125,000	25,000	50,000	62,500	68,750
$150,000	30,000	60,000	75,000	82,500

The present formula for determining annual benefits under the Retirement Plan's life annuity option is (i) 2% of average annual salary (average annual salary during the five consecutive years out of the last twenty years of employment that give the highest average salary) for each of the first twenty years of benefit service, plus (ii) 1% of average annual salary for each of the next ten years of benefit service and (iii) 1/2% of average annual salary for each year of benefit service in excess of thirty, minus (iv) 50% of age 65 annual Social Security benefit (as defined in the Retirement Plan), and (v) any benefit under another Unitil retirement plan of a former employer for which credit for service is given under the Retirement Plan. A participant is eligible for early retirement at an actuarially reduced pension upon the attainment of age 55 with at least 15 years of service with Unitil or one of its subsidiaries. A participant is 100% vested in his benefit under the Retirement Plan after 5 years of service with Unitil or one of its subsidiaries. As of January 1, 1996, Executive Officers Stulgis, Dalton, Siart, Daly and Gantz had 16, 28, 13, 7 and 12 credited years of service, respectively, under the Retirement Plan.

Unitil Service also maintains a Supplemental Executive Retirement Plan ("SERP"), a non-qualified defined benefit plan. SERP provides for supplemental retirement benefits to executives selected by the Board of Directors of Unitil Service (the "UNITIL Service Board"). At the present time, Messrs. Stulgis and Dalton are eligible for SERP benefits upon attaining normal or early retirement eligibility. Annual benefits are based on a participant's final average earnings less the participant's benefits payable under the Retirement Plan, and less other retirement income payable to such participant by Unitil. Early retirement benefits are available to a participant, with the Unitil Service Board's approval, if the participant has attained age 55 and completed 15 years of service. Should a participant elect to begin receiving early retirement benefits under SERP prior to attaining age 62, the benefits are reduced by 2% for each year that commencement of benefits precedes attainment of age 62. If a participant terminates employment for any reason prior to retirement, the participant will not be entitled to any benefits. Under the SERP, Messrs. Stulgis and Dalton would be entitled to receive an annual benefit of $155,533 and $53,452, respectively, assuming their normal retirement at age 65 and that their final average earnings are equal to the average of their respective three consecutive years of highest compensation prior to the date hereof.

Unitil and certain subsidiaries maintain severance agreements (the "Severance Agreements") with certain management employees, including Executive Officers. The Severance Agreements are intended to help assure continuity in the management and operation of Unitil and its subsidiaries in the event of a proposed "Change in Control". Each Severance Agreement only becomes effective upon the occurrence of a Change in Control of Unitil as defined in the Severance Agreements. If an employee's stipulated compensation and benefits, position, responsibilities and other conditions of employment are reduced during the thirty-six month period following a Change in Control, the employee is entitled to a severance benefit.

The severance benefit is a lump sum cash amount equal to (i) the present value of three years' base salary and bonus; (ii) the present value of the additional amount the employee would have received under the Retirement Plan if the employee had continued to be employed for such thirty-six month period; (iii) the present value of contributions that would have been made by Unitil or its subsidiaries under the 401(k) if the employee had been employed for such thirty-six month period; and (iv) the economic benefit on any outstanding Unitil stock options and associated dividend equivalents, assuming such options remained unexercised until the day preceding the expiration of the grant, including the spread on any stock options that would have been granted under the Option Plan if the employee had been employed for such thirty-six month period. Each Severance Agreement also provides for the continuation of all employee benefits for a period of thirty-six months, commencing with the month in which the termination occurred. In addition, pursuant to each Severance Agreement, Unitil is required to make an additional payment to the employee sufficient on an after-tax basis to satisfy any additional individual tax liability incurred under Section 280G of the Internal Revenue Code of 1986, as amended, in respect to such payments.

AS TO OTHER MATTERS TO COME BEFORE THE MEETING

The Board of Directors does not intend to bring before the meeting any matters other than the one referred to above and knows of no other matters which may properly come before the meeting. If any other matters or motions come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote such proxy in accordance with their judgment on such matters or motions, including any matters dealing with the conduct of the meeting.

The Board of Directors has selected and employed the firm of Grant Thornton as Unitil's independent certified public accountants to audit Unitil's financial statements for the fiscal year 1996. A representative of the firm will be present at the meeting and will be available to respond to appropriate questions. It is not anticipated that such representative will make a prepared statement at the meeting; however, he will be free to do so if he so chooses.

Any proposal submitted by a shareholder of Unitil for inclusion in the proxy material for the 1997 annual meeting of shareholders must be received by Unitil at its Corporate Headquarters not later than December 18, 1996.

Solicitation, Revocation and Use of Proxies

Shares of Unitil Common Stock represented by properly executed proxies received by Unitil prior to or at the meeting will be voted at the meeting in accordance with the instructions specified on the proxies. If no instructions are specified on such proxies, shares will be voted FOR the election of the nominees for Directors. Abstentions and non-votes will have the same effect as negative votes.

Any Unitil shareholder who executes and returns a proxy has the power to revoke such proxy at any time before it is voted by filing with the Secretary of Unitil, at the address of Unitil set forth above, written notice of such revocation or a duly executed proxy bearing a later date, or by attending and voting in person at the meeting. Attendance at the meeting will not in and of itself constitute a revocation of a proxy.

Unitil will bear the costs of solicitation by the Board of Directors of proxies from Unitil shareholders. In addition to the use of the mail, proxies may be solicited by the Directors, officers and employees of Unitil by personal interview, telephone, telegram or otherwise. Such Directors, officers and employees will not be additionally compensated, but may be reimbursed for out-of-pocket expenses in connection with such solicitation. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons, and Unitil may reimburse such custodians, nominees and fiduciaries for reasonable out-of-pocket expenses in connection therewith.

By Order of the Board of Directors,

Gail A. Siart
Secretary

Unitil will furnish without charge to any shareholder entitled to vote and to any beneficial owner of shares entitled to be voted at the annual meeting of common shareholders, to be held April 18, 1996, a copy of its annual report on Form 10-K, including financial statements and schedules thereto, required to be filed with the Securities and Exchange Commission for the fiscal year 1995, upon written request to Gail A. Siart, Chief Financial Officer, Unitil Corporation, 216 Epping Road, Exeter, NH 03833-4571.