FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For Quarter Ended March 31, 1997

Commission File Number 1-8858

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

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

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

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

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

Yes X No

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

Class	Outstanding at May 1, 1997
Common Stock, No par value	4,397,147 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

INDEX

PART 1. FINANCIAL INFORMATION

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

	Three Months Ended March 31, 1997	1996
Operating Revenues:		
Electric	$38,058,307	$36,696,596
Gas	7,266,381	7,448,729
Other	7,500	23,285
Total Operating Revenues	45,332,188	44,168,610
Operating Expenses:		
Fuel and Purchased Power	25,472,247	24,237,784
Gas Purchased for Resale	4,366,396	4,323,966
Operating and Maintenance	5,647,256	5,824,291
Depreciation	1,902,259	1,633,558
Amort. of Cost of Abandoned Properties	400,935	488,500
Provisions for Taxes:		
Local Property and Other	1,370,796	1,313,376
Federal and State Income	1,557,425	1,751,787
Total Operating Expenses	40,717,314	39,573,262
Operating Income	4,614,874	4,595,348
Non-Operating Expense (Income)	5,485	(12,501)
Income Before Interest Expense	4,609,389	4,607,849
Interest Expense, Net	1,694,905	1,411,936
Net Income	2,914,484	3,195,913
Less Dividends on Preferred Stock	69,008	70,726
Net Income Applicable to Common Stock	$2,845,476	$3,125,187
Average Common Shares Outstanding	4,389,566	4,334,283
Earnings Per Share of Common Stock	$0.65	$0.72
Dividends Declared per Share of Common Stock (Note 1)	$0.67	$0.66

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 1997	March 31, 1996	December 31, 1996
ASSETS:			
Utility Plant:			
Electric	$160,108,556	$149,755,755	$157,874,414
Gas	28,887,089	27,378,391	28,729,277
Common	18,641,319	8,347,204	18,779,677
Construction Work in Progress	2,376,329	9,666,536	2,161,114
Utility Plant	210,013,293	195,147,886	207,544,482
Less: Accumulated Depreciation	65,517,975	61,946,195	63,786,756
Net Utility Plant	144,495,318	133,201,691	143,757,726
Other Property & Investments	42,448	42,448	42,448
Current Assets:			
Cash	3,269,791	2,151,213	2,902,842
Accounts Receivable - Less Allowance for Doubtful Accounts of $697,919 $648,186 and $660,114	17,705,259	15,970,323	16,383,323
Materials and Supplies	1,818,763	1,738,516	2,478,932
Prepayments	773,011	679,079	480,453
Accrued Revenue	6,436,125	1,418,653	8,859,188
Total Current Assets	30,002,949	21,957,784	31,104,738
Deferred Assets:			

Debt Issuance Costs	814,559	871,107	828,689
Cost of Abandoned Properties	25,031,322	26,766,291	25,432,258
Prepaid Pension Costs	7,525,877	6,914,961	7,347,635
Other Deferred Assets	23,899,625	24,246,950	23,594,289
Total Deferred Assets	57,271,383	58,799,309	57,202,871
TOTAL	$231,812,098	$214,001,232	$232,107,783

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 1997	March 31, 1996	December 31, 1996
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	$69,703,981	$64,502,158	$67,974,260
Preferred Stock, Non-Redeemable, Non-Cumulative	225,000	225,000	225,000
Preferred Stock, Redeemable, Cumulative	3,665,900	3,766,900	3,665,900
Long-Term Debt, Less Current Portion	57,900,000	62,211,000	60,917,000
Total Capitalization	131,494,881	130,705,058	132,782,160
Capitalized Leases, Less Current Portion	4,448,703	3,644,252	4,629,832
Current Liabilities:			
Long-Term Debt, Current Portion	4,272,000	1,255,000	1,294,000
Capitalized Leases, Current Portion	903,356	673,438	1,000,210
Accounts Payable	14,858,337	14,355,500	15,103,925
Short-Term Debt	17,550,000	1,900,000	21,400,000
Dividends Declared and Payable	197,385	1,611,340	191,246
Refundable Customer Deposits	1,643,534	1,823,971	1,585,116
Taxes Payable (Refundable)	1,937,224	2,040,377	(147,938)
Interest Payable	1,427,271	1,471,692	1,484,166
Other Current Liabilities	2,530,987	2,928,465	2,043,846
Total Current Liabilities	45,320,094	28,059,783	43,954,571
Deferred Liabilities:			
Investment Tax Credits	1,566,223	1,754,516	1,610,117
Other Deferred Liabilities	8,441,948	9,139,137	8,488,593
Total Deferred Liabilities	10,008,171	10,893,653	10,098,710
Deferred Income Taxes	40,540,249	40,698,486	40,642,510
TOTAL	$231,812,098	$214,001,232	$232,107,783

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31, 1997	1996
Cash Flows from Operating Activities:		
Net Income	$2,914,484	$3,195,913
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,303,194	2,122,058
Deferred Taxes Provided	(9,268)	156,278
Amortization of Investment Tax Credit	(43,894)	(49,305)
Amortization for Debt Issuance Costs	14,130	14,151
Provision of Doubtful Accounts	222,260	227,244
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	(1,544,196)	(1,265,868)
Materials and Supplies	660,169	537,349
Prepayments and Prepaid Pension	(470,800)	(470,220)
Accrued Revenue	2,423,063	1,159,062
Increase (Decrease) in:		
Accounts Payable	(245,588)	(209,575)
Refundable Customer Deposits	58,418	(413,881)
Taxes and Interest Payable	2,028,267	1,869,598

	1997	1996
Other, Net	139,998	(493,911)
Net Cash Provided by Operating Activities	8,450,237	6,378,893
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(2,570,687)	(5,359,269)
Net Cash Used in Investing Activities	(2,570,687)	(5,359,269)
Cash Flows from Financing Activities:		
Repayment of Short-Term Debt	(3,850,000)	(800,000)
Repayment of Long-Term Debt	(39,000)	(39,000)
Dividends Paid	(1,530,896)	(1,492,585)
Issuance of Common Stock	229,003	229,333
Retirement of Preferred Stock	0	(7,000)
Repayment of Capital Lease Obligations	(321,708)	(157,090)
Net Cash Used in Financing Activities	(5,512,601)	(2,266,342)
Net Increase (Decrease) in Cash	366,949	(1,246,718)
Cash at Beginning of Year	2,902,842	3,397,931
Cash at March 31,	$3,269,791	$2,151,213
Supplemental Cash Flow Information:		
Interest Paid	$1,848,546	$1,488,976
Federal Income Taxes Paid	$0	$200,000

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

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

Note 1.

Dividends Declared Per Share:

Two regular quarterly common stock dividends were declared during the first quarter of 1997 and 1996.

Common Stock Dividend:

On March 6, 1997, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.335 per share which is payable on May 15, 1997 to shareholders of record as of May 1, 1997.

On January 21, 1997, the Company's Board of Directors approved a 1.5% increase to the dividend rate on its common stock. The new regular dividend rate is $0.335 per share and was payable February 14, 1997 to shareholders of record as of January 31, 1997.

Note 2.

Common Stock:

During the first quarter of 1997, the Company sold 11,935 shares of Common Stock, at an average price of $19.38 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of $231,254 were used to reduce short-term borrowings.

Note 3.

Preferred Stock:

Details on preferred stock at March 31, 1997, March 31, 1996 and December 31, 1996 are shown below:

	March 31, 1997	March 31, 1996	December 31, 1996
Preferred Stock:			
Non-Redeemable, Non-Cumulative,			
6%, $100 Par Value	$225,000	$225,000	$225,000
Redeemable, Cumulative,			
$100 Par Value:			
8.70% Series	215,000	215,000	215,000
5% Dividend Series	91,000	91,000	91,000
6% Dividend Series	168,000	168,000	168,000
8.75% Dividend Series	344,300	344,300	344,300
8.25% Dividend Series	406,000	406,000	406,000
5.125% Dividend Series	1,034,600	1,076,600	1,034,600
8% Dividend Series	1,407,000	1,466,000	1,407,000
Total Redeemable Preferred Stock	3,665,900	3,766,900	3,665,900
Total Preferred Stock	$3,890,900	$3,991,900	$3,890,900

Note 4.

Long-term Debt:

Details on long-term debt at March 31, 1997, March 31, 1996 and December 31, 1996 are shown below:

	March 31, 1997	March 31, 1996	December 31, 1996
Concord Electric Company:			
First Mortgage Bonds:			
Series C, 6 3/4%, due January 15, 1998	$1,520,000	$1,552,000	$1,552,000
Series H, 9.43%, due September 1, 2003	5,850,000	6,500,000	5,850,000
Series I, 8.49%, due October 14, 2024	6,000,000	6,000,000	6,000,000
Exeter & Hampton Electric Company:			
First Mortgage Bonds:			
Series E, 6 3/4%, due January 15, 1998	497,000	504,000	504,000
Series H, 8.50%, due December 15, 2002	805,000	910,000	805,000
Series J, 9.43%, due September 1, 2003	4,500,000	5,000,000	4,500,000
Series K, 8.49%, due October 14, 2024	9,000,000	9,000,000	9,000,000
Fitchburg Gas and Electric Light Company:			
Promissory Notes:			
8.55% Notes due March 31, 2004	15,000,000	15,000,000	15,000,000
6.75% Notes due November 30, 2023	19,000,000	19,000,000	19,000,000
Total	62,172,000	63,466,000	62,211,000
Less: Installments due within one year	4,272,000	1,255,000	1,294,000
Total Long-term Debt	$57,900,000	$62,211,000	$60,917,000

Note 5.

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the consolidated financial position as of March 31, 1997 and 1996; and results of operations for the three months ended March 31, 1997 and 1996; and consolidated statements of cash flows for the three months ended March 31, 1997 and 1996. Reclassifications are made periodically to amounts previously reported to conform with current year presentation.

The results of operations for the three months ended March 31, 1997 and 1996 are not necessarily indicative of the results to be expected for the full year.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

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

EARNINGS

Earnings per average common share were $0.65 for the first quarter of 1997, versus $0.72 for the first quarter of 1996. This decrease of $0.07 per share, or 10%, was due to lower electric and gas base revenues during the winter months, and higher depreciation and interest expense. The weather in the first quarter of 1997, as measured by heating degree days, was 12% warmer than the first quarter of 1996.

Total operating revenues for the Unitil System of companies increased 3% to $45.3 million in the first quarter of 1997 from $44.2 million in the first quarter of 1996 as a result of higher fuel and purchased power revenues. Fuel and purchased power and cost of gas revenues are collected from customers as a separate component of their monthly bill, and do not affect net income as they normally mirror changes in fuel and purchased power costs.

Operating Revenue ($000s)

	Three Months Ended 3/31/97	Three Months Ended 3/31/96
Base Electric Revenue	12,382	12,437
Fuel & Purchased Power	25,676	24,260
Total Electric Revenues	38,058	36,697
Base Gas Revenue	2,833	3,128

Cost of Gas	3,940	4,086
Interruptible Revenue	493	235
Total Gas Revenue	7,266	7,449
Other Revenue	8	23
Total Operating Revenue	45,332	44,169

Energy Sales

	Three Months Ended	
KWH Sales (000s)	3/31/97	3/31/96
Residential	149,496	154,572
Commercial	99,053	100,011
Large Commercial / Industrial	132,033	142,963
Other Sales	2,944	2,999
Total KWH Sales	383,526	400,545
Firm Therm Sales (000s)		
Residential	5,766	6,568
Commercial	2,498	2,741
Large Commercial / Industrial	1,991	2,022
Total Firm Therm Sales	10,255	11,331

Base revenues are operating revenues which the Company realizes in addition to fuel, purchased power and cost of gas revenues and which have a direct impact on net income. Base revenues declined during the quarter by 2% to $15.2 million from $15.6 million in the first quarter of 1996. Total electric base revenues were slightly lower in the first quarter of 1997 versus 1996. Total gas base revenues declined 9% to $2.8 million from $3.1 million in the first quarter of 1996. The decline in base revenues, particularly in firm gas sales, reflects the lower consumption of energy during the warmer heating season of the first quarter of 1997. The Energy Sales table on this page shows energy consumption by customer class for the first three months of 1997 and 1996. As previously reported, a major customer curtailed its operations in the fall of 1996 to make alterations and improvements to its facility, and has informed the Company that it does not expect to complete this work until mid-1997. Lower KWH sales to this customer are reflected in the decrease in the Large Commercial / Industrial sales category. The impact of lower base revenues during the first quarter of 1997 on earnings was a decline of $0.05 per share versus the first quarter of 1996.

For the three months ended March 31, 1997, higher depreciation, interest and property tax expenses were partially offset by lower operation and maintenance expenses. Interest expense was higher during the first quarter of 1997 due to increased short term borrowings, primarily reflecting the interim financing of fuel and purchased power costs and the Company's ongoing capital expenditure program.

RESTRUCTURING AND COMPETITION - ELECTRIC UTILITY INDUSTRY

Regulatory activity in both New Hampshire and Massachusetts continues to focus on deregulating the retail sale of electric energy. In both states, January 1, 1998 has been targeted as the beginning of competition, or "Choice Date." Under these restructuring proposals, customers would be allowed to choose their supplier of electricity from the competitive market, and have their local utility deliver that electricity over its distribution systems at regulated rates.

New Hampshire

On February 28, 1997, the New Hampshire Public Utilities Commission (NHPUC) issued its Final Plan for transition to a competitive electric market in New Hampshire. The order allowed Concord Electric Company (CECo) and Exeter & Hampton Electric Company (E&H), Unitil's New Hampshire based retail distribution utilities, to recover 100% of costs which will be "stranded" due to this restructuring. Due to an appeal by Northeast Utilities, this Plan is under a temporary restraining order in Federal Court. The NHPUC has also suspended its Plan pending resolution of many issues which have been identified by various parties. Unitil continues to participate actively in all proceedings which will define the details of the transition to competition and customer choice.

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

Massachusetts

On February 26, 1997, the Massachusetts Department of Public Utilities (MDPU) approved a restructuring plan filed by the New England Electric System, Massachusetts Attorney General (Mass AG), the Massachusetts Division of Energy Resources and numerous other parties. Under this settlement, consumers will be allowed to choose an electricity supplier as early as January 1, 1998, and will receive a 10% reduction on their electric bills. The settlement requires the utility to divest all its generation plant, and provides the utility with the opportunity to fully recover all of its stranded costs. Several other settlement agreements have been reached in principle with the Mass AG and other Massachusetts electric utilities. The Company is currently developing a transition plan for its Massachusetts utility subsidiary and exploring the use of the settlement process to expedite its restructuring process.

Each of the settlements reached are subject to restructuring legislation that may be enacted by the Massachusetts Legislature. On March 20, 1997, the Special Joint Committee on Electric Industry Restructuring of the Massachusetts Legislature issued a lengthy report and proposed legislation recommending retail competition and the recovery of prudently incurred generation cost for a period of ten years. The Committee also recommended that in order to be allowed to recover stranded cost that companies had to provide for a ten percent (10%) reduction in customer bills.

On March 3, 1997, the Company filed unbundled rates as required by MDPU Order 96-100 dated December 30, 1996. The Order required that the unbundled rates be revenue neutral by rate class and customer, since their primary purpose is to provide customers with unbundled bills for informational purposes prior to choice date.

MILLSTONE UNIT NO. 3

Unitil's Massachusetts operating subsidiary, Fitchburg Gas and Electric Light Company, has a 0.217% nonoperating ownership in the Millstone Unit No. 3 (Millstone 3) nuclear generating unit which supplies it with 2.49 megawatts (MW) of electric capacity. In January 1996 the Nuclear Regulatory Commission (NRC) placed Millstone 3 on its watch list as a Category 2 facility, which calls for increased NRC inspection attention. In March 1996 the NRC requested additional information about the operation of the unit from Northeast Utilities companies (NU), which operate the unit. As a result of an engineering evaluation completed by NU, Millstone 3 was taken out of service on March 30, 1996. The NRC later informed NU, in a letter dated June 28, 1996, that it had reclassified Millstone 3 as a Category 3 facility. The NRC assigns this rating to plants which it deems to have significant weaknesses that warrant maintaining the plant in shutdown condition until the operator demonstrates that adequate programs have been established and implemented to ensure substantial improvement in the operation of the plant. The NRC's letter also informed NU that this designation would require the NRC staff to obtain NRC approval by vote prior to a restart of the unit. The other Millstone nuclear units are also out of service and listed as Category 3 facilities.

In March 1997, NU announced that Millstone 3 has been designated as the lead unit in the recovery process for the Millstone units, and plans to have one unit ready for restart in the third quarter of 1997, and back on line by the end of 1997. During the period that Millstone 3 is out of service, FG&E will continue to incur its proportionate share of the unit's ongoing Operations and Maintenance (O&M) costs, and may incur additional O&M costs and capital expenditures to meet NRC requirements. FG&E will also incur costs to replace the power that was expected to be generated by the unit. During the outage, FG&E has been incurring approximately $35,000 per month in replacement power costs, and has been recovering these costs through its fuel adjustment clause, which will be subject to review and approval by the MDPU.

CAPITAL REQUIREMENTS

Capital expenditures for the three months ended March 31, 1997 were approximately $2,600,000. This compares to $5,400,000 during the same period last year. Capital expenditures for the year 1997 are estimated to be approximately $13,300,000 as compared to $18,500,000 for 1996. This projection reflects normal capital expenditures for utility system expansions, replacements and other improvements.

LEGAL PROCEEDINGS

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

PART I. EXHIBIT 11.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING
(UNAUDITED)

PRIMARY EARNINGS PER SHARE	Three Months Ended March 31, 1997	 1996
Net Income	$2,914,484	$3,195,913
Less: Dividend Requirement on Preferred Stock	69,008	70,726
Net Income Applicable to Common Stock	$2,845,476	$3,125,187
Average Number of Common Shares Outstanding	4,389,566	4,334,283
Earnings Per Common Share	$0.65	$0.72

FULLY-DILUTED EARNINGS PER SHARE	Three Months Ended March 31, 1997	 1996
Net Income	$2,914,484	$3,195,913
Less: Dividend Requirement on Preferred Stock	69,008	70,726
Net Income Applicable to Common Stock	$2,845,476	$3,125,187
Average Number of Common Shares Outstanding	4,497,607	4,443,907
Earnings Per Common Share	$0.63	$0.70

PART II. OTHER INFORMATION

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

(a) Exhibits

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

(b) Reports on Form 8-K

During the quarter ended March 31, 1997, the Company did not file any reports on Form 8-K.

SIGNATURES

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

UNITIL CORPORATION
(Registrant)

Date: May 14, 1997

/s/ Gail A. Siart
Gail A. Siart, Treasurer
and Chief Financial Officer

(Gail A. Siart is the Principal Financial Officer and has been duly authorized to sign on behalf of the registrant.)

UT

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JAN-1-1997
MAR-31-1997
3-MOS
PER-BOOK
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