

Form U-13-60
Mutual and Subsidiary Service Companies
Revised February 7, 1980

ANNUAL REPORT

FOR THE PERIOD

Beginning January 1, 1996 and Ending December 31, 1996

TO THE

US SECURITIES AND EXCHANGE COMMISSION

OF

UNITIL SERVICE CORP.

A Subsidiary Service Company

Date of Incorporation October 9, 1984

State of Incorporation New Hampshire

Location of Principal Executive Offices of Reporting Company:

6 Liberty Lane West
Hampton, New Hampshire 03842-1720

Name, Title and address of officer to whom correspondence concerning this report should be addressed:

Laurence M. Brock, Controller
6 Liberty Lane West
Hampton, New Hampshire 03842-1720

Name of Principal Holding Company whose Subsidiaries are served by Reporting Company:

UNITIL Corporation

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SCHEDULE I - COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the current and prior year.

ACCOUNT	ASSETS AND OTHER DEBITS	AS OF DECEMBER 31	
		CURRENT	PRIOR
	SERVICE COMPANY PROPERTY		
101	Service company property (Schedule II)	3,768,171	3,354,797
107	Construction work in progress (Schedule II)	0	0
	Total Property	3,768,171	3,354,797
108	Less accumulated provision for depreciation and amortization of service company property (Schedule III)	1,016,751	2,087,238
	Net Service Company Property	2,751,420	1,267,559
	INVESTMENTS		
123	Investments in associate companies (Schedule IV)	0	0
124	Other investments (Schedule IV)	0	0
	Total investments	0	0
	CURRENT AND ACCRUED ASSETS		
131	Cash	236,981	24,120
134	Special deposits	0	0
135	Working funds	5,000	5,000
136	Temporary cash investments (Schedule IV)	0	0
141	Notes receivable	0	0
143	Accounts receivable	125	214,939
144	Accumulated provision for uncollectable accounts	0	0
146	Accounts receivable from associate companies (Schedule V)	1,481,480	1,258,235
152	Fuel stock expense undistributed (Schedule VI)	0	0
154	Materials and supplies	0	0
163	Stores expense undistributed (Schedule VII)	0	0
165	Prepayments	20,826	12,989
174	Miscellaneous current and accrued assets (Schedule VIII)	0	0
	Total Current and Accrued Assets	1,744,413	1,515,284
	DEFERRED DEBITS		
181	Unamortized debt expense	0	0
184	Clearing accounts	223,705	151,276
186	Miscellaneous deferred debits (Schedule IX)	381,410	57,028
188	Research, development, or demonstration expenditures (Schedule X)	0	0
190	Accumulated deferred income tax	0	0
	Total Deferred Debits	605,115	208,304
	TOTAL ASSETS AND OTHER DEBITS	5,100,948	2,991,147

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SCHEDULE I - COMPARATIVE BALANCE SHEET

ACCOUNT	LIABILITIES AND PROPRIETARY CAPITAL	AS OF DECEMBER 31	
		CURRENT	PRIOR

PROPRIETARY CAPITAL					
201	Common stock issued (Schedule XI)		1,000		1,000
211	Miscellaneous paid-in-capital (Schedule XI)		0		0
215	Appropriated retained earnings (Schedule XI)		0		0
216	Unappropriated retained earnings (Schedule XI)		1,688		1,688
	Total Proprietary Capital		2,688		2,688
LONG-TERM DEBT					
223	Advances from associate companies (Schedule XII)		0		0
224	Other long-term debt (Schedule XII)		0		0
225	Unamortized premium on long-term debt		0		0
226	Unamortized discount on long-term debt-debit		0		0
	Total Long-Term Debt		0		0
227	Obligations under capital leases - non-current		962,712		807,812
CURRENT AND ACCRUED LIABILITIES					
231	Notes payable		0		0
232	Accounts payable		637,247		82,314
233	Notes payable to associate companies (Schedule XIII)		449,801		611,852
234	Accounts payable to associate companies (Schedule XIII)		1,306,915		978,244
236	Taxes accrued		6,164		16,941
237	Interest accrued		0		0
238	Dividends declared		0		0
241	Tax collections payable		0		(107)
242	Miscellaneous current and accrued liabilities (Schedule XIII)		616,692		606,512
243	Obligations under capital leases - current		1,785,920		438,993
	Total Current and Accrued Liabilities		4,802,739		2,734,750
DEFERRED CREDITS					
253	Other deferred credits		0		0
255	Accumulated deferred investment tax credits		0		0
	Total Deferred Credits		0		0
282	ACCUMULATED DEFERRED INCOME TAXES		(667,191)		(554,102)
	TOTAL LIABILITIES AND PROPRIETARY CAPITAL		5,100,948		2,991,147

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SCHEDULE II - SERVICE COMPANY PROPERTY

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS	RETIREMENTS OR SALES	OTHER CHANGES 1/	BALANCE AT CLOSE OF YEAR
SERVICE COMPANY PROPERTY					
Account					
301 ORGANIZATION					
303 MISCELLANEOUS INTANGIBLE PLANT					
304 LAND AND LAND RIGHTS					
305 STRUCTURES AND IMPROVEMENTS					
306 LEASEHOLD IMPROVEMENTS					
307 EQUIPMENT 2/	2,614,971	1,337,137	(938,068)	0	3,014,040
308 OFFICE FURNITURE AND EQUIPMENT	663,084	718,200	(661,381)	0	719,903
309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	76,742	0	(42,514)	0	34,228
310 AIRCRAFT AND AIRPORT EQUIPMENT					
311 OTHER SERVICE COMPANY PROPERTY 3/					
SUB-TOTAL	3,354,797	2,055,337	(1,641,963)	0	3,768,171
107 CONSTRUCTION WORK IN					

PROGRESS

TOTAL 3,354,797 2,055,337 (1,641,963) 0 3,768,171

1/ PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:
NONE

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SCHEDULE II - CONTINUED

2/ SUBACCOUNTS ARE REQUIRED FOR EACH CLASS OF EQUIPMENT OWNED. THE SERVICE COMPANY SHALL PROVIDE A LISTING BY SUBACCOUNT OF EQUIPMENT ADDITIONS DURING THE YEAR AND THE BALANCE AT THE CLOSE OF THE YEAR:

SUBACCOUNT DESCRIPTION	ADDITIONS	BALANCE AT CLOSE OF YEAR
Computer	1,059,043	2,735,946
PBX Phone System	278,094	278,094
TOTAL	1,337,137	3,014,040

3/ DESCRIBE OTHER SERVICE COMPANY PROPERTY:
NONE

4/ DESCRIBE CONSTRUCTION WORK IN PROGRESS:
NONE

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SCHEDULE III

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF SERVICE COMPANY PROPERTY

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO ACCOUNT 403	RETIRE- MENTS	OTHER CHANGES ADD (DEDUCT)1/	BALANCE AT CLOSE OF YEAR
Account					
301 ORGANIZATION					
303 MISCELLANEOUS INTANGIBLE PLANT					
304 LAND AND LAND RIGHTS					
305 STRUCTURES AND IMPROVEMENTS					
306 LEASEHOLD IMPROVEMENTS					
307 EQUIPMENT	1,466,042	437,327	(938,068)	0	965,301
308 OFFICE FURNITURE AND EQUIPMENT	565,728	123,573	(661,381)	0	27,920
309 AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT	55,468	10,576	(42,514)	0	23,530
310 AIRCRAFT AND AIRPORT EQUIPMENT					
311 OTHER SERVICE COMPANY PROPERTY					
TOTAL	2,087,238	571,476	(1,641,963)	0	1,016,751

1/ PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

ANNUAL REPORT OF UNITIL SERVICE CORP.

SCHEDULE IV - INVESTMENTS

INSTRUCTIONS: Complete the following schedule concerning investments.
 Under Account 124 "Other Investments" state each investment separately, with description, including, the name of issuing company, number of shares or principal amount
 Under Account 136, "Temporary Cash Investments", list each investment separately.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
ACCOUNT 123 - INVESTMENT IN ASSOCIATED COMPANIES	0	0
ACCOUNT 124 - OTHER INVESTMENTS	0	0
ACCOUNT 136 - TEMPORARY CASH INVESTMENTS	0	0
TOTAL	0	0

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SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each company, number of shares or principal amount associate company by subaccount should be provided.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
ACCOUNT 146 - ACCOUNTS RECEIVABLE FROM ASSOCIATE Companies		
Concord Electric Company	252,799	258,852
Exeter & Hampton Electric Company	271,585	300,337
¹ Fitchburg Gas and Electric Light Company	485,809	583,491
UNITIL Power Corp.	180,125	320,773
UNITIL Realty Corp.	14,418	7,342
UNITIL Corporation	2,637	1,155
UNITIL Resources, Inc.	50,862	9,530
TOTAL	1,258,235	1,481,480

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS:

Concord Electric Company	135,744
Exeter & Hampton Electric Company	140,213
Fitchburg Gas and Electric Light Company	404,824
UNITIL Power Corp.	420,803
UNITIL Realty Corp.	98,956
UNITIL Resources, Inc.	6,945

For a list of major vendors paid by UNITIL Service Corp. on behalf of associate companies see page 10A.

TOTAL PAYMENTS	1,207,485
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CONVENIENCE PAYMENTS BY TYPE AND COMPANY

	CECo	E&H	FG&E	UPC
Legal	\$89,961	\$93,709	\$342,153	\$400,419
Audit	45,783	46,504	62,671	20,384
	\$135,744	\$140,213	\$404,824	\$420,803

CONVENIENCE PAYMENTS BY TYPE AND COMPANY (Cont.)

	URI	URC	Total
Legal	\$5,452	\$97,840	\$1,029,534
Audit	1,493	1,116	177,951
	\$6,945	\$98,956	\$1,207,485

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SCHEDULE VI - FUEL STOCK EXPENSES UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to fuel stock expense during the year and indicate amount attributable to each associate company. Under the section headed "Summary" listed below give an overall report of the fuel functions performed by the service company.

DESCRIPTION	LABOR	EXPENSE	TOTAL
ACCOUNT 152 - FUEL STOCK EXPENSE UNDISTRIBUTED	0	0	0
TOTAL	0	0	0

SUMMARY:

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SCHEDULE VII - STORES EXPENSE UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to stores expense during the year and indicate amount attributable to each associate company.

DESCRIPTION	LABOR	EXPENSE	TOTAL
ACCOUNT 163 - STORES EXPENSE UNDISTRIBUTED	0	0	0
TOTAL	0	0	0

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SCHEDULE VIII

MISCELLANEOUS CURRENT AND ACCRUED ASSETS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
ACCOUNT 174 - MISCELLANEOUS CURRENT AND ACCRUED ASSETS	0	0
TOTAL	0	0

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SCHEDULE IX - MISCELLANEOUS DEFERRED DEBITS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped by class showing the number of items in each class.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
ACCOUNT 186 - MISCELLANEOUS DEFERRED DEBITS		
Under/(over) collected administrative expenses	(7,438)	17,466
Prepaid Postage	18,838	36,839
Deferred Charges - PC purchases	0	21,181
Reimbursable Relocation Costs	0	51,456
Deferred Charges - Software Development	45,628	254,468
TOTAL	57,028	381,410

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SCHEDULE X

RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES

INSTRUCTIONS: Provide a description of each material research, development, or demonstration project which incurred costs by the service corporation during the year.

DESCRIPTION	BALANCE AT CLOSE OF YEAR
ACCOUNT 188 - RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES	0
TOTAL	0

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SCHEDULE XI - PROPRIETARY CAPITAL

ACCOUNT NUMBER	CLASS OF STOCK	NUMBER OF SHARES AUTHORIZED	PAR OR STATED VALUE PER SHARE	OUTSTANDING CLOSE OF PERIOD NO. OF SHARES	TOTAL AMOUNT
201	COMMON STOCK ISSUED	300	10.00	100	1,000

INSTRUCTIONS: Classify amounts in each account with brief explanation, disclosing the general nature of transactions which gave rise to the reported amounts.

DESCRIPTION	AMOUNT
ACCOUNT 211 - MISCELLANEOUS PAID-IN CAPITAL	0
ACCOUNT 215 - APPROPRIATED RETAINED EARNINGS	0
TOTAL	0

INSTRUCTIONS: Give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owned or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentage, amount of dividend, date declared and date paid.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	NET INCOME OR (LOSS)	DIVIDENDS PAID	BALANCE AT CLOSE OF YEAR
ACCOUNT 216 - UNAPPROPRIATED RETAINED EARNINGS	1,688	0	0	1,688
TOTAL	1,688	0	0	1,688

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SCHEDULE XII - LONG-TERM DEBT INSTRUCTIONS: Advances from associate companies should be reported separately for advances on notes, and advances on open account. Names of associate companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 - Other long-term debt provide the name of creditor company or organization, terms of the obligation, date of maturity, interest rate, and the amount authorized and outstanding.

NAME OF CREDITOR	TERMS OF OBLIG CLASS & SERIES OF OBLIGATION	DATE OF MAT.	INT. RATE	AMT. AUTH.	ADD.	1/ DED.	BALANCE AT CLOSE OF YEAR
ACCOUNT 223 - ADVANCES FROM ASSOCIATE COMPANIES				0	0	0	0
ACCOUNT 224 - OTHER LONG-TERM DEBT:				0	0	0	0
TOTAL				0	0	0	0

1/ GIVE AN EXPLANATION OF DEDUCTIONS:

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SCHEDULE XIII - CURRENT AND ACCRUED LIABILITIES

Provide balance of notes and accounts payable to each associate company. Give description and amount of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
ACCOUNT 233 - NOTES PAYABLE TO ASSOCIATE COMPANIES Money Pool	611,852	449,801

TOTAL 611,852 449,801

ACCOUNT 234 - ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES

Concord Electric Company	756	0
Exeter & Hampton Electric Company	0	0
Fitchburg Gas and Electric Company	0	0
UNITIL Corporation (1)	977,488	1,306,915
(1) Balance consists of KESOP for UNITIL Service Employees only, not subsidiaries.		
TOTAL	978,244	1,306,915

ACCOUNT 242 - MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES

Accrued FASB 87	160,155	202,373
Accrued Supplemental Executive Retirement Plan	257,164	289,959
Accrued Legal Fees	6,406	5,863
Accrued Annual Report	72,127	60,000
Accrued Pension Expense	0	0
Accrued FASB 106	34,132	44,668
Accrued FASB 106 - APBO	10,677	14,241
Accrued FASB 106 - Gain/Loss	(1,649)	(1,649)
Accrued Realignment Cost	67,500	0
Accrued Interest on Escrow	0	1,237
TOTAL	606,512	616,692

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SCHEDULE XIV
NOTES TO FINANCIAL STATEMENT

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

Selected Notes to the Financial Statements:

UNITIL Service Corp. (USC), a wholly-owned subsidiary of UNITIL Corporation, a public utility holding company, provides centralized support services to the parent company and its subsidiaries. USC is subject to the jurisdiction of the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935. Accordingly, USC maintains its books of account as prescribed by the "Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies" as Amended February 2, 1979 to be effective January 1, 1980. USC prepares its financial statements in conformity with generally accepted accounting principles.

Please refer to the 1996 UNITIL Corporation Form 10-K for additional disclosures.

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SCHEDULE XV

STATEMENT OF INCOME

ACCOUNT	DESCRIPTION	CURRENT YEAR	PRIOR YEAR
INCOME			
457	Services rendered to associate companies	10,369,118	8,710,699
458	Services rendered to nonassociate companies	30,000	30,000
419	Interest Income	3,683	1,574
421	Miscellaneous income or loss	4,000	0
	Total Income	10,406,801	8,742,273
EXPENSE			
920	Salaries and wages	5,296,792	4,734,570
921	Office supplies and expenses	616,531	513,765

922	Administrative expense transferred - credit	(25,279)	207,795
923	Outside services employed	576,206	286,326
924	Property insurance	3,931	1,788
925	Injuries and damages	28,700	32,640
926	Employee pensions and benefits	1,195,345	994,124
928	Regulatory commission expense	0	0
930.1	General advertising expense	780,986	45,258
930.2	Miscellaneous general expense	151,582	175,088
931	Rents	412,261	760,178
932	Maintenance of structures and equipment	274,457	207,108
403	Depreciation and amortization expense	571,476	349,554
408	Taxes other than income taxes	367,745	333,476
409	Income taxes	123,083	76,680
410	Provision for deferred income taxes	(113,089)	(58,854)
411	Provision for deferred income taxes - credit	0	0
411.5	Investment tax credit	0	0
426.1	Donations	720	2,710
426.5	Other deductions	23	907
427	Interest on long-term debt	0	0
430	Interest on debt to associate companies	19,387	19,184
431	Other interest expense	125,944	59,976
	Total Expense	10,406,801	8,742,273
	Net Income or (Loss)	0	0

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ANALYSIS OF BILLING
ASSOCIATE COMPANIES
ACCOUNT 457

NAME OF ASSOCIATE COMPANY	DIRECT COSTS CHARGED 457-1	INDIRECT COSTS CHARGED 457-2	COMPENSATION FOR USE OF CAPITAL 457-3	TOTAL AMOUNT BILLED
Concord Electric Company	1,059,550	1,043,861	0	2,103,411
Exeter & Hampton Electric Company	1,128,545	1,118,564	0	2,247,109
Fitchburg Gas and Electric Light Company	1,956,466	1,967,321	0	3,923,787
UNITIL Power Corp.	886,257	927,631	0	1,813,888
UNITIL Realty Corp.	22,235	25,817	0	48,052
UNITIL Resources, Inc.	150,057	82,814	0	232,871
TOTAL	5,203,110	5,166,008	0	10,369,118

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ANALYSIS OF BILLING
NONASSOCIATE COMPANIES
ACCOUNT 458

NAME OF NONASSOC COMPANY	DIRECT COSTS CHARGED 457-1	INDIRECT COSTS CHARGED 457-2	COMPENSATION FOR USE OF CAPITAL 457-3	TOTAL COST	EXCESS OR DEFICIENCY 458-4	TOTAL AMOUNT BILLED
UNITIL Retiree Trust	0	30,000		30,000	0	30,000
Total	0	30,000	0	30,000	0	30,000

INSTRUCTION: Provide a brief description of the services rendered to each nonassociate company.

UNITIL Retiree Trust - Professional services provided.

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 SCHEDULE XVI
 ANALYSIS OF CHARGES FOR SERVICE
 ASSOCIATE AND NONASSOCIATE COMPANIES

		ASSOCIATE COMPANY CHARGES		
DESCRIPTION OF ITEMS		DIRECT	INDIRECT	TOTAL
		COST	COST	
920	SALARIES AND WAGES	4,747,187	519,605	5,266,792
921	OFFICE SUPPLIES AND EXPENSES	226,078	390,453	616,531
922	ADMIN EXPENSE TRANS-CREDIT		(25,279)	(25,279)
923	OUTSIDE SERVICES EMPLOYED		576,206	576,206
924	PROPERTY INSURANCE		3,931	3,931
925	INJURIES AND DAMAGES		28,700	28,700
926	EMPLOYEE PENSIONS AND BENEFITS		1,195,345	1,195,345
928	REGULATORY COMMISSION EXPENSE		0	0
930.1	GENERAL ADVERTISING EXPENSE		780,986	780,986
930.2	MISC. GENERAL EXPENSE		151,582	151,582
931	RENTS	189,687	222,574	412,261
932	MAINT. OF STRUCT. & EQUIP.	40,158	234,299	274,457
403	DEPR. AND AMORT. EXPENSE		571,476	571,476
408	TAXES OTHER THAN INCOME		367,745	367,745
409	INCOME TAXES		123,083	123,083
410	PROV FOR DEF INC TAXES		(113,089)	(113,089)
411	PROV FOR DEF INC TAX CREDIT		0	0
411.5	INVESTMENT TAX CREDIT		0	0
419	INTEREST INCOME		(7,683)	(7,683)
426.1	DONATIONS		720	720
426.5	OTHER DEDUCTIONS		23	23
427	INTEREST ON LONG-TERM DEBT		0	0
431	OTHER INTEREST EXPENSE		125,944	125,944

INSTRUCTION: Total cost of service will equal
 for associate and nonassociate companies
 the total amount billed under their separate
 analysis of billing schedules.

SUBTOTAL EXPENSES	5,203,110	5,146,621	10,349,731
COMPENSATION FOR USE OF EQUITY CAPITAL			0
430 INTEREST ON DEBT TO ASSOCIATE CO.'S	0	19,387	19,387
TOTAL EXPENSES	5,203,110	5,166,008	10,369,118
421 MISCELLANEOUS INCOME	0	0	0
TOTAL COST OF SERVICE	5,203,110	5,166,008	10,369,118

SCHEDULE XVI CONT.
 ANALYSIS OF CHARGES FOR SERVICE
 ASSOCIATE AND NONASSOCIATE COMPANIES

		NONASSOCIATE COMPANY CHARGES		
DESCRIPTION OF ITEMS		DIRECT	INDIRECT	TOTAL
		COST	COST	
920	SALARIES AND WAGES		30,000	30,000
921	OFFICE SUPPLIES AND EXPENSES			0
922	ADMIN EXPENSE TRANS-CREDIT			0
923	OUTSIDE SERVICES EMPLOYED			0
924	PROPERTY INSURANCE			0
925	INJURIES AND DAMAGES			0
926	EMPLOYEE PENSIONS AND BENEFITS			0
928	REGULATORY COMMISSION EXPENSE			0
930.1	GENERAL ADVERTISING EXPENSE			0
930.2	MISC. GENERAL EXPENSE			0
931	RENTS			0
932	MAINT. OF STRUCT. & EQUIP.			0
933	DEPR. AND AMORT. EXPENSE			0
408	TAXES OTHER THAN INCOME			0
409	INCOME TAXES			0
410	PROV FOR DEF INC TAXES			0
411	PROV FOR DEF INC TAX CREDIT			0
411.5	INVESTMENT TAX CREDIT			0
419	INTEREST INCOME			0
426.1	DONATIONS			0
426.5	OTHER DEDUCTIONS			0
427	INTEREST ON LONG-TERM DEBT			0
431	OTHER INTEREST EXPENSE			0

INSTRUCTION: Total cost of service will equal
 for associate and nonassociate companies
 the total amount billed under their separate
 analysis of billing schedules.

SUBTOTAL EXPENSES	0	30,000	30,000
COMPENSATION FOR USE OF EQUITY CAPITAL			0
430 INTEREST ON DEBT TO ASSOCIATE CO.'S	0	0	0
TOTAL EXPENSES	0	30,000	30,000
421 MISCELLANEOUS INCOME	0	0	0
TOTAL COST OF SERVICE	0	30,000	30,000

SCHEDULE XVI CONT.

ANALYSIS OF CHARGES FOR SERVICE
ASSOCIATE AND NONASSOCIATE COMPANIES

TOTAL CHARGES FOR SERVICE

DESCRIPTION OF ITEMS	DIRECT	INDIRECT	TOTAL
	COST	COST	
920 SALARIES AND WAGES	4,747,187	549,605	5,296,792
921 OFFICE SUPPLES AND EXPENSES	226,078	390,453	616,531
922 ADMIN EXPENSE TRANS-CREDIT	0	(25,279)	(25,279)
923 OUTSIDE SERVICES EMPLOYED		576,206	576,206
924 PROPERTY INSURANCE		3,931	3,931
925 INJURIES AND DAMAGES		28,700	28,700
926 EMPLOYEE PENSIONS AND BENEFITS		1,195,345	1,195,345
928 REGULATORY COMMISSION EXPENSE		0	0
930.1 GENERAL ADVERTISING EXPENSE		780,986	780,986
930.2 MISC. GENERAL EXPENSE		151,582	151,582
931 RENTS	189,687	222,574	412,261
932 MAINT. OF STRUCT. & EQUIP.	40,158	234,299	274,457
403 DEPR. AND AMORT. EXPENSE		571,476	571,476
408 TAXES OTHER THAN INCOME		367,745	367,745
409 INCOME TAXES		123,083	123,083
410 PROV FOR DEF INC TAXES		(113,089)	(113,089)
411 PROV FOR DEF INC TAX CREDIT		0	0
411.5 INVESTMENT TAX CREDIT		0	0
419 INTEREST INCOME		(7,683)	(7,683)
426.1 DONATIONS		720	720
426.5 OTHER DEDUCTIONS		23	23
427 INTEREST ON LONG-TERM DEBT		0	0
431 OTHER INTEREST EXPENSE		125,944	125,944

INSTRUCTION: Total cost of service will equal
for associate and nonassociate companies
the total amount billed under their separate
analysis of billing schedules.

SUBTOTAL EXPENSES	5,203,110	5,176,621	10,379,731
COMPENSATION FOR USE OF EQUITY CAPITAL			0
430 INTEREST ON DEBT TO ASSOCIATE CO.'S	0	19,387	19,387
TOTAL EXPENSES	5,203,110	5,196,008	10,399,118
421 MISCELLANEOUS INCOME	0	0	0
TOTAL COST OF SERVICE	5,203,110	5,196,008	10,399,118

ANNUAL REPORT OF UNITIL SERVICE CORP.
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For the Year Ended December 31, 1996

SCHEDULE XVII

SCHEDULE OF EXPENSE DISTRIBUTION
BY
DEPARTMENT OR SERVICE FUNCTION

DESCRIPTION OF ITEMS	TOTAL AMOUNT	OVER- HEAD	DEPARTMENT OR SERVICE FUNCTION	
			MARKET PRICING	ADMIN.
920 SALARIES AND WAGES	5,296,792		657,086	1,017,893
921 OFFICE SUPPLES AND EXPENSES	616,531		96,699	286,625
922 ADMIN. EXPENSE TRANS-CREDIT	(25,279)			
923 OUTSIDE SERVICES EMPLOYED	576,206		148,948	217,271
924 PROPERTY INSURANCE	3,931			
925 INJURIES AND DAMAGES	28,700			
926 EMPLOYEE PENSIONS AND BENEFITS	1,195,345		1,574	882,729
928 REGULATORY COMMISSION EXPENSE	0			
930.1 GENERAL ADVERTISING EXPENSE	780,986		764,009	16,976
930.2 MISC. GENERAL EXPENSE	151,582		1,660	2,356
931 RENTS	412,261		375	492,929
932 MAINT. OF STRUCT. & EQUIP.	274,457			133,809
403 DEPR. AND AMORT. EXPENSE	571,476			
408 TAXES OTHER THAN INCOME	367,745			
409 INCOME TAXES	123,083			
410 PROV. FOR DEF. INC. TAXES	(113,089)			
411 PROV. FOR DEF. INC. TAX CREDIT	0			
411.5 INVESTMENT TAX CREDIT	0			
426.1 DONATIONS	720			
426.5 OTHER DEDUCTIONS	23			
427 INTEREST ON LONG-TERM DEBT	0			
430 INTEREST ON DEBT TO ASSOCIATE COMPANIES	19,387			
431 OTHER INTEREST EXPENSE	125,944			

INSTRUCTIONS: Indicate each

department or

service function. (see Instruction

01-3 General Structure of Account-

ing System Uniform System Account.

TOTAL EXPENSES -	10,406,801	0	1,670,351	3,050,588
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SCHEDULE XVII
 SCHEDULE OF EXPENSE DISTRIBUTION
 BY
 DEPARTMENT OR SERVICE FUNCTION

NUMBER	ACCOUNTING	RESOURCES	DISTRIBUTION	FINANCE	AFFAIRS	ENGINEERING	TECHNOLOGY
920	673,802	658,529	488,467	521,651	607,691	389,133	282,540
921	35,870	55,512	15,332	12,143	15,644	19,812	78,894
922	(25,279)						
923	12,965	8,486	140	15,987	160,462	11,409	535
924				3,931			
925				28,700			
926	3,055			303,403	1,017	785	2,782
928							
930.1							
930.2	25,000			119,579	2,987		
931	(665,530)		12,191		228,732	4,770	338,795
932	46,235				61,973	1,640	30,801
403	571,476						
408	367,745						
409	123,083						
410	(113,089)						
411							
411.5							
426.1	720						
426.5	23						
427							
430				19,387			
431				125,944			
	1,056,076	722,527	516,130	1,150,725	1,078,506	427,549	734,347

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DEPARTMENTAL ANALYSIS OF SALARIES
 ACCOUNT 920

NAME OF DEPARTMENT Indicate each department or service function	TOTAL AMOUNT	DEPARTMENT SALARY EXPENSE INCLUDE IN AMOUNTS BILLED TO			NUMBER PERSONNEL END OF YEAR
		PARENT COMPANY	OTHER ASSOCIATES	NON ASSOCIATES	
Market Pricing	657,086	0	657,086	0	13
Technology	282,540	0	282,540	0	6
Accounting	673,802	0	669,002	4,800	16
Finance	521,651	0	521,051	600	10
Administrative	1,017,893	0	994,193	23,700	15
Energy Resources	658,529	0	658,529	0	14
Engineering	389,133	0	389,133	0	8
Distribution	488,467	0	488,467	0	5
Customer Affairs	607,691	0	606,791	900	16
TOTAL	5,296,792	0	5,266,792	30,000	103

ANNUAL REPORT OF UNITIL SERVICE CORP.
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OUTSIDE SERVICES EMPLOYED
 ACCOUNT 923

INSTRUCTIONS: Provide a breakdown by subaccount of outside services employed.
 If the aggregate amounts paid to any one payee and included within
 one subaccount is less than \$100,000, only the aggregate number
 and amount of all such payments included within the subaccount
 need be shown. Provide a subtotal for each type of service.

RELATIONSHIP

FROM WHOM PURCHASED	ADDRESS	"A"= ASSOCIATE "NA"=NON ASSOCIATE	AMOUNT
Outside Services - Accounting			
Various		NA	12,965
Outside Services - Consulting			
Charles H. Tenney II		A	105,000
Outside Services-Legal			
Various		NA	88,379
Outside Services - Other			
Various		NA	369,862
TOTAL			576,206

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EMPLOYEE PENSIONS AND BENEFITS
ACCOUNT 926

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

DESCRIPTION	AMOUNT
Health Insurance	507,806
Net Periodic Pension Expense	285,593
401 K	144,863
Life Insurance	82,040
Other	89,843
Supplemental Executive Retirement Plan	71,100
FASB 106	14,100
TOTAL	1,195,345

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GENERAL ADVERTISING EXPENSES
ACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amounts included in Account 930.1 "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

DESCRIPTION	NAME OF PAYEE	AMOUNT
Recruiting	David Wilson Associates	16,976
Advertising	Luma & Cahill	710,147
Advertising	International Strategies	10,000
Advertising	University of New Hampshire	7,000
Advertising	NHITA	3,800
Advertising	Northeast Creations	4,667
Advertising	Wmur-TV	4,250
Advertising	Other	24,146
TOTAL		780,986

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MISCELLANEOUS GENERAL EXPENSES
 ACCOUNT 930.2

INSTRUCTIONS: Provide a listing of the amount included in Account 930.02 "Miscellaneous General Expense", classifying such expenses according to their nature. Payments and expenses permitted by Section 321 (b) (2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441 (b) (2)) shall be separately classified.

DESCRIPTION	AMOUNT
Printing and Distribution of Quarterly and Annual Reports	150,207
SEC Filing Fees	1,375
TOTAL	151,582

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RENTS
 ACCOUNT 931

INSTRUCTIONS: Provide a listing of the amount included in Account 931, "Rents" classifying such expenses by major groupings of property, as defined in the account definition of the Uniform System of Accounts.

TYPE OF PROPERTY	AMOUNT
Office Building	369,302
EDP Equipment	228,732
Miscellaneous	(185,773)
TOTAL	412,261

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TAXES OTHER THAN INCOME TAXES
 ACCOUNT 408

INSTRUCTIONS: Provide an analysis of Account 408, "Taxes Other Than Income Taxes". Separate the analysis into two groups: (1) other than U. S. Government and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts there of. Provide a subtotal for each class of tax.

KIND OF TAX	AMOUNT
Other than U.S. Government Tax:	
State Telephone & Telegram Tax	5,493
State Unemployment Tax - NH	8,046
	13,539
U.S. Government Tax:	
Federal Telephone & Telegram Tax	2,986
Federal Insurance Contribution Act	344,834
Federal Unemployment Tax	6,386
	354,206
TOTAL	367,745

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DONATIONS
 ACCOUNT 426.1

INSTRUCTIONS: Provide a listing of the amount included in Account 426.1, "Donations", classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

NAME OF RECIPIENT	PURPOSE OF DONATION	AMOUNT
Aggregate		720
	TOTAL	720

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OTHER DEDUCTIONS
ACCOUNT 426.5

INSTRUCTIONS: Provide a listing of the amount included in Account 426.5, "Other Deductions", classifying such expenses according to their nature.

DESCRIPTION	NAME OF PAYEE	AMOUNT
Lobbying Expenses	Business and Industry	12
Lobbying Expenses	American Institute of CPA's	11
	TOTAL	23

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SCHEDULE XVIII

NOTES TO STATEMENT OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the statement of income or any account thereof. Furnish particulars as to any significant increases in services rendered or expenses incurred during the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

See page 19.

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ORGANIZATION CHART

See page 37A.

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ORGANIZATION CHART AS OF DECEMBER 31, 1996

President and Chief Executive Officer	Stulgis
Senior Executive Vice President - Retail Business	Dalton
Vice President - Engineering	Appleton
Vice President - Customer Services	Morrissey

Vice President - Distribution	Aither
Senior Vice President - Energy Resources	Daly
Vice President - Operations	Foote
Assistant Vice President - Procurement	Soares
Senior Vice President - Financial & Central	Siart
Vice President - Finance & Administration	Collin
Controller	Brock
Assistant Vice President - Technology	Smith
Senior Vice President - Business Development	Gantz
Assistant Vice President - Market Pricing	Stewart
Assistant Vice President - Market Develop	Zabetakis

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METHODS OF ALLOCATION

See Page 38A

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METHODS OF ALLOCATION

The cost of services rendered by UNITIL Service are allocated and billed based on direct time charges and to a lesser extent, direct cost assigned to individual projects or jobs performed on behalf of associated companies in accordance with the general guidelines set forth below.

A. Direct Labor Cost - Gross Wages. Direct Labor Cost - Gross Wages are based on the actual gross wage rates of assigned employees multiplied by the actual number of hours worked and directly charged to specific projects or jobs.

B. Direct Labor Cost - Other. Direct Labor Cost - Other includes the costs of paid absences, such as vacations, sick pay and holidays, and are allocated by employee based on the direct time charged to associated companies. In the event there are no direct time charges available for this allocation, the direct time charges of all UNITIL Service employees are used to make this allocation.

C. General Overhead Costs, including Indirect Labor. General Overhead Costs represent UNITIL Service Indirect Labor Costs and Administrative and General Expenses, and are allocated based on a monthly overhead rate applied against direct time charges. Indirect Labor Costs include pension costs, insurance, payroll taxes, employee savings plan, and similar payroll and benefit items. Administrative and General Expenses are those administrative and operating expenses incurred by UNITIL Service in providing services to associated companies which cannot be identified with or directly charged to a specific project or job.

D. Direct Charges. Direct Charges are costs that are directly assignable based on the individual projects or jobs performed on behalf of associated companies, and are excluded from General Overheads. Direct Charges are billed at actual cost and include: Employee Travel, Meals, Lodging, and Other Related Expenses, Data Management Hardware Leases and Maintenance Costs, Telephone Lease, and other miscellaneous expenses.

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ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

Non applicable

ANNUAL REPORT OF UNITIL SERVICE CORP.
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SIGNATURE CLAUSE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned officer thereunto duly authorized,

UNITIL Service Corp.
(Name of Reporting Company)

By:
(Signature of Signing Officer)

Laurence M. Brock, Controller
(Printed Name and Title of Signing Officer)

Date:

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OPUR2

UNITIL SERVICE CORP.

07

DEC-31-1996

DEC-31-1996

YEAR

PER-BOOK

2,751,420			
		0	
	1,744,413		
	605,115		
	0		
5,100,948			
2,688			
		0	
			0
449,801			
4,352,938			
	0		
	(667,191)		
5,100,948			
10,369,118			
30,000			
	7,683		
	10,406,801		
	5,296,792		
1,195,345			
	3,914,664		
	10,406,801		
		0	
5,203,110			
5,203,691			
10,406,801			
	103		