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 June 30, 1998

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 August 1, 1998
Common Stock, No par value	4,503,420 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

INDEX

PART 1. FINANCIAL INFORMATION

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

	Three Months Ended June 30, 1998	1997	Six Months Ended June 30, 1998	1997
Operating Revenues:				
Electric	$38,200	$36,899	$75,859	$74,958
Gas	3,335	3,702	9,661	10,968
Other	7	13	15	21
Total Operating Revenues	41,542	40,614	85,535	85,947
Operating Expenses:				
Fuel and Purchased Power	25,645	24,644	50,787	50,116
Gas Purchased for Resale	2,044	2,228	5,639	6,594
Operating and Maintenance	6,124	5,901	11,754	11,548
Depreciation	2,571	2,223	4,901	4,526
Provisions for Taxes:				
Local Property and Other	1,430	1,353	2,837	2,724
Federal and State Income	519	834	1,889	2,392
Total Operating Expenses	38,333	37,183	77,807	77,900
Operating Income	3,209	3,431	7,728	8,047
Non-Operating Expense (Income)	27	11	71	17
Income Before Interest Expense	3,182	3,420	7,657	8,030
Interest Expense, Net	1,704	1,765	3,557	3,460
Net Income	1,478	1,655	4,100	4,570
Less Dividends on Preferred Stock	69	69	138	138
Net Income Applicable to Common Stock	$1,409	$1,586	$3,962	$4,432
Average Common Shares Outstanding	4,496,758	4,404,558	4,487,546	4,397,062
Basic Earnings Per Share	$0.31	$0.36	$0.88	$1.01
Diluted Earnings Per Share	$0.30	$0.35	$0.86	$0.98
Dividends Declared Per Share of Common Stock (Note 1)	$0.34	$0.335	$1.02	$1.005

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

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

	(UNAUDITED) June 30, 1998	1997	(AUDITED) December 31, 1997
ASSETS:			
Utility Plant:			
Electric	$170,583	$161,688	$166,636
Gas	30,942	29,135	30,473
Common	20,003	19,220	19,689
Construction Work in Progress	3,570	2,902	2,677
Total Utility Plant	225,098	212,945	219,475
Less: Accumulated Depreciation	71,345	66,827	68,360
Net Utility Plant	153,753	146,118	151,115
Other Property & Investments	42	42	42
Current Assets:			
Cash	3,415	2,752	2,337
Accounts Receivable - Less Allowance for Doubtful Accounts of			

$682, $721 and $653	15,363	15,694	16,890
Materials and Supplies	2,695	2,278	2,663
Prepayments	648	703	434
Accrued Revenue	4,257	6,172	6,796
Total Current Assets	26,378	27,599	29,120
Deferred Assets:			
Debt Issuance Costs	886	800	918
Cost of Abandoned Properties	23,054	24,676	23,885
Prepaid Pension Costs	8,363	7,731	8,120
Other Deferred Assets	25,526	24,365	24,777
Total Deferred Assets	57,829	57,572	57,700
TOTAL	$238,002	$231,331	$237,977

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

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

	UNAUDITED) June 30, 1998	1997	(AUDITED) December 31, 1997
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	$71,881	$68,756	$71,644
Preferred Stock, Non-Redeemable, Non-Cumulative	225	225	225
Preferred Stock, Redeemable, Cumulative	3,618	3,666	3,666
Long-Term Debt, Less Current Portion	60,729	65,400	63,896
Total Capitalization	136,453	138,047	139,431
Capitalized Leases, Less Current Portion	4,418	4,492	4,733
Current Liabilities:			
Long-Term Debt, Current Portion	4,539	4,273	4,470
Capitalized Leases, Current Portion	1,054	923	883
Accounts Payable	15,713	16,091	14,734
Short-Term Debt	18,000	9,625	18,000
Dividends Declared and Payable	1,752	1,673	212
Refundable Customer Deposits	1,556	2,474	2,187
Taxes (Refundable) Payable	(73)	(132)	(554)
Interest Payable	1,030	1,086	1,087
Other Current Liabilities	3,132	2,566	2,635
Total Current Liabilities	46,703	38,579	43,654
Deferred Liabilities:			
Investment Tax Credits	1,248	1,522	1,437
Other Deferred Liabilities	8,470	8,128	7,864
Total Deferred Liabilities	9,718	9,650	9,301
Deferred Income Taxes	40,710	40,563	40,858
TOTAL	$238,002	$231,331	$237,977

(The accompanying notes are an integral part of these statements.)
UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (000'S)
(UNAUDITED)

	Six Months Ended June 30, 1998	1997

Net Cash Flow from Operating Activities:		
Net Income	$4,100	$4,570
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,901	4,526
Deferred Taxes	(33)	187
Amortization of Investment Tax Credit	(190)	(87)
Provision of Doubtful Accounts	363	416
Amortization of Debt Issuance Costs	32	28
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	1,164	273
Materials and Supplies	(32)	201
Prepayments and Prepaid Pension	(457)	(605)
Accrued Revenue	2,539	2,687
Increase (Decrease) in:		
Accounts Payable	979	987
Refundable Customer Deposits	(631)	889
Taxes and Interest Accrued	424	(383)
Other, Net	(308)	(911)
Net Cash Provided by Operating Activities	12,851	12,778
Net Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equip.	(6,213)	(5,863)
Net Cash Used in Investing Activities	(6,213)	(5,863)
Cash Flows from Financing Activities:		
Net Decrease in Short-Term Debt	--	(11,775)
Proceeds from Long-Term Debt	--	7,500
Repayments of Long-Term Debt	(3,098)	(39)
Dividends Paid	(3,176)	(3,066)
Issuance of Common Stock	905	573
Retirement of Preferred Stock	(47)	--
Repayment of Capital Lease Obligations	(144)	(259)
Net Cash Flows from Financing Activities	(5,560)	(7,066)
Net Increase (Decrease) in Cash	1,078	(151)
Cash at Beginning of Year	2,337	2,903
Cash at June 30,	$3,415	$2,752
Supplemental Cash Flow Information:		
Cash Paid for:		
Interest Paid	$3,650	$3,800
Federal Income Taxes Paid	$1,290	$1,960
Non-Cash Financing Activities:		
Capital Leases Incurred	$365	--

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)
Note 1.

Dividends Declared Per Share:

Three regular quarterly common stock dividends were declared during the six month periods ended June 30, 1998 and 1997.

Common Stock Dividend:

On June 18, 1998, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.34 per share which was payable on August 14, 1998 to shareholders of record as of July 31, 1998.

On March 5, 1998, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.34 per share which was payable on May 15, 1998 to shareholders of record as of May 1, 1998.

On January 20, 1998, the Company's Board of Directors approved a 1.5% increase to the dividend rate on its common stock. The new regular dividend rate of $0.34 per share was payable February 13, 1998 to shareholders of record as of January 30, 1998.

Note 2.

Common Stock:

During the second quarter of 1998, the Company sold 12,123 shares of

Common Stock, at an average price of $21.83 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan, 401(k) plan and Key Employee Stock Option Plan. Net proceeds of $264,614 were used to reduce short-term borrowings.

Note 3.

Preferred Stock:

Details on preferred stock at June 30, 1998, June 30, 1997 and December 31, 1997 are shown below: (Amounts in Thousands)

	June 30, 1998	June 30, 1997	December 31, 1997
Preferred Stock:			
Non-Redeemable, Non-Cumulative,			
6%, $100 Par Value	$225	$225	$225
Redeemable, Cumulative,			
$100 Par Value:			
8.70% Series	215	215	215
5% Dividend Series	91	91	91
6% Dividend Series	168	168	168
8.75% Dividend Series	344	344	344
8.25% Dividend Series	395	406	406
5.125% Dividend Series	998	1,035	1,035
8% Dividend Series	1,407	1,407	1,407
Total Redeemable Preferred Stock	3,618	3,666	3,666
Total Preferred Stock	$3,843	$3,891	$3,891

Note 4.

Long-term Debt:

Details on long-term debt at June 30, 1998, June 30, 1997 and December 31, 1997 are shown below: (Amounts in Thousands)

	June 30, 1998	June 30, 1997	December 31, 1997
Concord Electric Company:			
First Mortgage Bonds:			
Series C, 6 3/4%, due January 15, 1998	--	$1,520	$1,520
Series H, 9.43%, due September 1, 2003	5,200	5,850	5,200
Series I, 8.49%, due October 14, 2024	6,000	6,000	6,000
Exeter & Hampton Electric Company:			
First Mortgage Bonds:			
Series E, 6 3/4%, due January 15, 1998	--	498	498
Series H, 8.50%, due December 15, 2002	700	805	700
Series J, 9.43%, due September 1, 2003	4,000	4,500	4,000
Series K, 8.49%, due October 14, 2024	9,000	9,000	9,000
Fitchburg Gas and Electric Light Company:			
Promissory Notes:			
8.55% Notes due March 31, 2004	14,000	15,000	15,000
6.75% Notes due November 30, 2023	19,000	19,000	19,000
Unitil Realty Corp.			
Senior Secured Notes:			
8.00% Notes Due August 1, 2017	7,368	7,500	7,448
Total	65,268	69,673	68,366
Less: Installments due within one year	4,539	4,273	4,470
Total Long-term Debt	$60,729	$65,400	$63,896

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 June 30, 1998 and 1997; and results of operations for the three and six months ended June 30, 1998 and 1997; and consolidated statements of cash flows for the six months ended June 30, 1998 and 1997. Reclassifications of amounts are made periodically to previously issued financial statements to conform with the current year presentation.

The results of operations for the six months ended June 30, 1998 and

1997 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

The Company earned $0.31 per average common share (basic) for the second quarter of 1998, a decrease of $0.05 compared to the $0.36 earned for the second quarter of 1997. On a year-to-date basis, basic earnings per average common share were $0.88 for the six months ended June 30, 1998, a decrease of $0.13 compared to the $1.01 earned in the first half of 1997. Earnings decreased approximately $0.08 per share, as a result of lower energy sales during the mild weather in the first six months of 1998. The remainder of the decrease in earnings for the six-month period is primarily attributable to the impact of the restructuring of the electric utility industry in Massachusetts.

Total Operating Revenues were $41.5 million in the second quarter of 1998, compared to $40.6 million a year earlier, and $85.5 million in the first six months of 1998, compared to $85.9 million in the first six months of 1997.

Despite the mild weather over the first six months of 1998, total electric kilowatt-hour (kWh) sales increased over the same periods last year, by 2.0% for the three months ended June 30, and 1.3% for the six months ended June 30 (See table on the next page). This increase in electric energy sales reflects strong system growth and a robust regional economy. KWh Sales to our Commercial and Industrial customers were up 4.7% and 2.9%, respectively, over the second quarter of last year.

Unitil's local distribution operating companies experienced extremely warm winter temperatures in their service territories this year, the warmest in over 100 years since such data has been kept. Gas firm therm sales, which are at their high point of the sales cycle during the winter months, were down 6.2% through the end of the second quarter of 1998 compared to the same six month period last year. Gas Revenues were 11.9% lower through the first six months of 1998, compared to 1997, because of the lower sales volumes and cost of gas sold.

Electric utility industry restructuring in Massachusetts became effective on March 1, 1998, ("Choice Date"). On that date Fitchburg Gas and Electric Light Company, (FG&E), Unitil's Massachusetts subsidiary, implemented open retail access and all of FG&E's customers gained the right to choose their electricity supplier. FG&E will continue to deliver electricity to all of its customers within its distribution system, which remains a regulated business. FG&E is Unitil's largest subsidiary. On Choice Date, FG&E's customers received a 10% rate discount under a statewide legislated mandate. Fitchburg is also required to divest its electric generating assets and power contracts.

The second quarter of 1998 marks the first full quarterly reporting period in which FG&E has been operating under the restructuring rules in Massachusetts. The decreases in earnings in the second quarter and year-to-date caused by Massachusetts restructuring are primarily due to the 10% rate discount implemented on Choice Date. Since Choice Date, FG&E has been authorized to earn a lower return on its generation-related investments.

The increase in Operation and Maintenance expenses compared to last year reflects higher administrative costs associated with filing and implementation of FG&E's restructuring plan and energy supply portfolio divestiture efforts. Depreciation and Amortization expense is higher in the current periods due to the accelerated write-off, in 1998, of electric generating assets in accordance with FG&E's restructuring plan. These additional expenses related to industry restructuring in Massachusetts are partially offset by revenues accrued to be recovered, in the future, upon divestiture of the energy supply portfolio or through other rate making cost reconciliation mechanisms including retail access charges.

Higher Operating Expenses are further offset currently by lower income taxes, due to lower taxable income and higher amortization of flow through Investment Tax Credits in 1998.

Basic earnings per average common share for the twelve months ended June 30, 1998 and 1997, were $1.68 and $1.88, respectively.

Energy Sales (000's)

KWH Sales	Three Months Ended 6/30/98	6/30/97	Change	Six Months Ended 6/30/98	6/60/97	Change
Residential	120,693	122,045	(1.1%)	271,823	273,308	(0.5%)
Commercial	97,996	93,627	4.7%	199,972	195,115	2.5%
Industrial	141,785	137,829	2.9%	280,666	274,066	2.4%
Total KWH Sales	360,474	353,501	2.0%	752,461	742,489	1.3%
Total Electric Revenues	$38,200	$36,899	3.5%	$75,859	$74,958	1.2%
Firm Therm Sales						
Residential	2,497	3,040	(17.9%)	7,989	8,806	(9.3%)
Commercial	931	912	2.1%	3,196	3,409	(6.2%)
Insustrial	1,267	1,222	3.7%	3,286	3,214	2.2%
Total Firm Therm Sales	4,695	5,174	(9.3%)	14,471	15,429	(6.2%)
Total Gas Revenues	$3,335	$3,702	(9.9%)	$9,661	$10,968	(11.9%)

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. March 1, 1998 was the "Retail Access Date" or the beginning of competition in Massachusetts, while New Hampshire's "Choice Date" slipped past the proposed January 1, 1998, and did not make the legislature's mandated July 1, 1998. Both states' restructuring efforts have focused on allowing customers 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 for the distribution service.

Massachusetts

On December 31, 1997, FG&E filed its restructuring plan (the "Plan") with the Massachusetts Department of Telecommunications and Energy (MDTE) as required by the Massachusetts restructuring law enacted in November, 1997. The Plan provides customers with: a) choice of energy supplier; b) an optional transition energy service provided by FG&E at regulated rates for up to seven years; and c) a 10% price decrease. In the Plan, FG&E has proposed to divest of owned and leased generation units and its portfolio of purchased power contracts by year end 1998. Also under the Plan, to the extent that the divestiture fails to recoup the full cost of electric supply resources, the Company will be afforded full recovery of any shortfall through non-bypassable retail access charges.

The MDTE conditionally approved the Plan for effect on March 1, 1998. Several days of evidentiary hearings were held followed by rounds of legal briefs. The Company expects to receive final approval of the Plan by the MDTE in September, 1998.

When the Company receives a Final Order from the MDTE on its Plan, the Company will be able to determine, in sufficient detail, the impact of such order on the generation portion of its business that will no longer be regulated and on the distribution portion of its business that will remain regulated. As a result, the Company may be required to stop applying the provisions of Statement of Financial Accounting Standards 71, "Accounting for the Effects of Certain Types of Regulation," to a portion of its business. Upon receiving the Final Order, the Company will review the measurement and recording of Regulatory Assets and Liabilities arising from the Final Order. Based upon settlements already reached between other electric utilities and the MDTE in Massachusetts, the Company believes it will recover its generation investments and the above market portion of its power contract commitments through regulated cash flows to be realized from the distribution portion of FG&E's business.

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, but the NHPUC also took certain positions undermining the legal basis for such recovery in the future. Northeast

Utilities' affiliate, Public Service Company of New Hampshire, appealed the decision in Federal Court, which issued a temporary restraining order. In June 1997, Unitil was admitted as a Plaintiff Intervenor in this proceeding. The Judge has indicated that this case will go to trial in November of 1998.

On March 20, 1998, the NHPUC issued Order No. 22,875 affirming in part and modifying in part its February 29, 1997 Final Plan. The March 20 NHPUC order required CECo, E&H and all other New Hampshire electric utilities except the Public Service Company of New Hampshire to submit a compliance filing by May 1, 1998. CECo and E&H submitted a response to the NHPUC's March 20 order on May 1 which included: a) unbundled delivery service rates; b) plans to implement the NHPUC affiliate rules when promulgated, mitigate stranded costs, implement low-income customer policies, meet the energy needs of special contract customers and implement data transfers electronically with suppliers; c) proposed tariffs for delivery services; and d) proposed terms and conditions for interfacing with competitive suppliers. The NHPUC has taken no action on the Company's submittal, and Competition has been delayed beyond the original legislative timetable of July 1, 1998. Unitil continues to participate actively in all proceedings and in several NHPUC-established working groups which will define the details of the transition to competition and customer choice.

The Company also continues to work towards a comprehensive settlement of all restructuring issues for Unitil and is hopeful that such a settlement can be reached in the near future.

Unitil Resources, Inc., the Company's competitive market subsidiary, will continue to participate in the New Hampshire Retail Competition Pilot Program (Pilot Program), in which up to 3% of New Hampshire electric customers are allowed to choose from competing electric suppliers, and have this supply delivered across the local utility system. This program began in May 1996, and will terminate on Choice Date.

OTHER REGULATORY MATTERS

On May 15, 1998, FG&E filed a base rate case with the MDTE seeking an increase of $1.55 million or nine percent in annual revenues from firm gas customers. This is the first requested base rate increase in 14 years. The Company has requested an 11.25 percent return on common equity and is seeking to modernize its rate structures for commercial and industrial accounts. The Company is also unbundling its rates into delivery and supplier charges to prepare for customer choice of gas supplier which is now expected to be initiated on April 1, 1999. To provide time for a thorough investigation including several days of evidentiary hearings, the filing was routinely suspended by the MDTE and new rates will become effective on December 1, 1998. The Company is also participating in a statewide Collaborative that, in concert with MDTE efforts, will resolve issues and establish rules for providing customers with choice of gas supplier. After choice date, FG&E will continue to own and operate its natural gas distribution system and deliver gas to its customers at regulated rates for distribution services.

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. On June 15, 1998 the NRC redesignated Millstone 3 as a Category 2 facility and allowed the NRC's Executive Director for Operations to determine when Millstone 3 was ready for restart. Authorization for restart was given on June 29, 1998. Millstone 3 began producing electric power in early July, 1998 and reached full output on July 15, 1998. As a Category 2 facility, the unit remains on the NRC's Watch List. On August 11, 1998, NU announced that Millstone 3 would be shut down for an estimated 7 to 10 days to repair a leaking motor-operated valve located in the auxiliary feedwater system. While the leakage rate on this valve, located on the non-radioactive side of the plant, is within permitted rates, NU has decided to make the repair at this time rather than to wait until a time when the repair may be more critical. Millstone 2 remains out of service with a Category 3 designation. NU has determined that Millstone 1 will be retired and, therefore, has been removed from the NRC's Watch List. The Company has no ownership or contract interests in Millstone Units 1 and 2.

During the period that Millstone 3 was out of service, FG&E continued to incur its proportionate share of the unit's ongoing Operations and Maintenance (O&M) costs, and may incur additional O&M costs and capital expenditures to meet NRC requirements. FG&E also incurred costs to replace the power that was expected to be generated by the unit. During the outage, FG&E had been incurring approximately $35,000 per month in replacement power costs, and had been recovering those costs through its fuel adjustment clause, which will be subject to review and approval by the MDTE. In August 1997, FG&E, in concert with other nonoperating joint owners, filed a demand for arbitration in Connecticut and a lawsuit in Massachusetts, in an effort to recover costs associated with the extended unplanned shutdown and the associated costs. The arbitration and legal cases are proceeding.

CAPITAL REQUIREMENTS

Capital expenditures for the six months ended June 30, 1998 were approximately $6.2 million. This compares to $5.9 million during the same period last year. Capital expenditures for the year 1998 are estimated to be approximately $16.3 million as compared to $15.4 million for 1997. This projection reflects 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.

FORWARD-LOOKING INFORMATION

This report contains forward-looking statements which are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to; variations in weather, changes in the regulatory environment, customers' preferences on energy sources, general economic conditions, increased competition and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of the Company.

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING
(UNAUDITED)
(Amounts in thousands, except Shares and Per Share Data)

	Three Months Ended June 30,		Six Months Ended June 30,	
BASIC EARNINGS PER SHARE	1998	1997	1998	1997
Net Income	$1,478	$1,655	$4,100	$4,570
Less: Dividend Requirement on Preferred Stock	69	69	138	138
Net Income Applicable to Common Stock	$1,409	$1,586	$3,962	$4,432
Average Number of Common Shares Outstanding	4,496,758	4,404,558	4,487,546	4,397,062
Basic Earnings per Common Share	$0.31	$0.36	$0.88	$1.01

DILUTED EARNINGS PER SHARE

Net Income	$1,478	$1,655	$4,100	$4,570
Less: Dividend Requirement on Preferred Stock	69	69	138	138
Net Income Applicable to Common Stock	$1,409	$1,586	$3,962	$4,432

Average Number of Common

Share Outstanding	4,605,770	4,515,653	4,599,252	4,507,918
Diluted Earnings Per Common Share	$0.30	$0.35	$0.86	$0.98

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 Share	Filed herewith

(b) Reports on Form 8-K

During the quarter ended June 30, 1998, 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: August 14, 1998 /s/Anthony Baratta
Anthony Baratta
Chief Financial Officer

Date: August 14, 1998 /s/Mark H. Collin
Mark H. Collin
Treasurer