



Unitil Subsidiaries Complete Merger and Implement New Rates

December 2, 2002

Hampton, NH - December 2, 2002 - Unitil Corporation (AMEX:UTL) today completed a merger combining its two New Hampshire distribution subsidiaries, Concord Electric Company and Exeter & Hampton Electric Company, into a single company, Unitil Energy Systems, Inc. New retail rates have also been implemented for Unitil's New Hampshire customers as part of its electric restructuring process - these rates continue to be the lowest in New Hampshire.

"Efficiency is a critical objective for Unitil, both in the operation of our distribution systems and in the implementation of customer choice - Unitil's commitment to cost and operating efficiency is why our customers pay the lowest rates." said Unitil CEO Bob Schoenberger. "The increase in base distribution rates being implemented today supports our continued investments in facilities required to meet the needs of our New Hampshire customers - this is the first such increase for Unitil's New Hampshire customers since the early 1980's, and it is largely offset by other rate changes."

The changes announced today reflect Unitil's implementation of the comprehensive New Hampshire Electric Restructuring Settlement Agreement Unitil negotiated with all parties in September, which was formally approved by the Public Utilities Commission on October 25, 2002. The key provisions of the Agreement included the combination of Unitil's New Hampshire distribution operations into a single company, an increase of \$2 million in annual distribution revenues as well as other rate changes, approval of Unitil's power supply restructuring process including full recovery of stranded costs, and the introduction of Customer Choice on May 1, 2003. Unitil expects to reduce rates overall by approximately 1% as of May 1, 2003.

As a result of the rate changes being implemented today, the bill for a typical residential customers using 500 kWh per month would decrease \$0.55, or 1%, to \$52.52 per month for a former customer of Concord Electric and increase \$0.85, or 1.6%, to \$52.52 per month for a former customer of Exeter & Hampton Electric. These bill impacts will vary depending on rate class and usage levels.

Unitil is a public utility holding company with subsidiaries providing electric service in New Hampshire, electric and gas service in Massachusetts and energy services throughout the Northeast. Its subsidiaries include Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Service Corp. and its unregulated business unit Unitil Resources, Inc. Usource L.L.C. is a subsidiary of Unitil Resources, Inc. The Usource product line of Internet-based energy brokering and related products and services is available at www.usourceonline.com.

For more information, visit Unitil at www.unitil.com or call Stephanye Schuyler at 603-773-6465.

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