



## Unitil Files Electric Restructuring Proposal in New Hampshire

January 28, 2002

Hampton, NH (January 28, 2002) – Unitil Corporation (AMEX: UTL) subsidiaries Concord Electric Company, Exeter & Hampton Electric Company and Unitil Power Corp. jointly filed a comprehensive restructuring proposal with the New Hampshire Public Utilities Commission ("the Commission") on Friday, January 25, 2002. The proposal would go into effect on or before November 1, 2002, pending review and approval by the Commission and other agencies. Under restructuring, customers will be allowed to choose a competitive energy supplier, but electricity delivery services will continue to be provided by Unitil.

Under the proposal, Unitil will sell its portfolio of electricity supply contracts and recover the residual stranded costs over a period of years. At the same time, Unitil will offer customers the option to continue to receive their energy supply from Unitil for up to three years, through a Transition Service at specified prices. Unitil will procure this new energy supply from the competitive wholesale market.

Unitil is also proposing to combine Concord Electric, Exeter & Hampton Electric, and the remaining functions of Unitil Power Corp. into a single distribution utility -- Unitil Energy Systems, Inc. -- serving all of Unitil's New Hampshire customers. As part of the filing, Unitil filed a new consolidated Tariff, and Rate Schedules, for distribution service in New Hampshire. As a result of the restructuring proposal, rate levels and rate components applicable to all Unitil customers will change, but overall rate levels are expected to be below rate levels in effect at the time of filing.

This restructuring proposal is the most significant change in Unitil's operations and rates since the creation of Unitil in 1984 and the launch in 1986 of its independent power supply portfolio. Those changes, instituted more than 15 years ago, resulted in significant customer benefits. By leveraging the developing competitive wholesale market for electricity supply, Unitil was successful in securing substantially lower power supply costs for its customers. By subsequently consolidating operating functions and controlling operating costs, Unitil also avoided distribution base rate increases for nearly 20 years. Concord Electric's last rate case was in 1984, and Exeter & Hampton's was in 1981.

In recent years, Unitil's electric rates in New Hampshire have been consistently the lowest, or among the lowest, in New England. Under this restructuring proposal, this significant rate advantage for Unitil customers is expected to continue, while offering customers a real opportunity to benefit further from the development of competitive supply choices. At the same time, the proposal provides increased security and price stability for customers through the transition period, and will also provide a firm foundation for continued improvements in reliability and service.

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. Additional information is available at [www.unitil.com](http://www.unitil.com). Unitil's subsidiaries include Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Service Corp. and its unregulated business segment Unitil Resources, Inc. Usource L.L.C. is a subsidiary of Unitil Resources, Inc. The Usource product line is available at [www.usourceonline.com](http://www.usourceonline.com).

For more information, visit Unitil at [www.unitil.com](http://www.unitil.com) or call George Gantz at 603-773-6569.

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