



Unitil/FG&E Files 1.3% Electric Rate Decrease

August 3, 1999

Hampton, NH; August 3, 1999 – Fitchburg Gas and Electric Light Company (FG&E), a wholly owned subsidiary of Unitil Corporation (AMEX:UTL), has filed a 1.3% electric rate decrease with the Massachusetts Department of Telecommunications and Energy (MDTE). Pending MDTE approval, this decrease will be effective September 1, 1999. The average savings to a residential electric customer using 500 kWh will be approximately \$0.75 per month.

This rate decrease is provided for by the 1997 Massachusetts Electric Restructuring Act, and includes both a restructuring related rate reduction and an inflation adjustment.

The Act mandated a 10% rate reduction in March 1998, to be followed by an additional 5% rate reduction by September 1, 1999, when most utilities will have completed the divestiture of their power supply resources. The filing completes Unitil/FG&E's compliance with this requirement by reducing electric rates 5%. The rate decrease reflects FG&E's divestiture of its generation assets and purchased power portfolio through the sale of a generation ownership interest to United Illuminating Company and the sale of the output of the remaining portion of its electric power supply portfolio to Select Energy, Inc. The sale to United Illuminating was completed in May 1999. The Select Energy contract is pending MDTE approval. The second element of this rate filing is an upward adjustment for inflation over the last two years. On average, taking both factors into account, FG&E customers will see a 1.3% decrease from current rates.

"We are pleased to be able to reduce electric rates to our customers as a result of the successful divestiture of our power supply portfolio. FG&E will now complete its transition toward exclusively providing distribution services to our electric customers," said Bob Schoenberger, Unitil's CEO.

Unitil is a public utility holding company with a combination electric and gas utility distribution operation in north central Massachusetts and electric utility distribution operations in several cities and towns in the seacoast and capital city areas of New Hampshire. Unitil is also engaged in energy planning, procurement, marketing and consulting activities through both its utility and non-utility subsidiaries. Its subsidiaries are Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Resources, Inc., and Unitil Service Corp.

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