

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1994
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-8858

UNITIL Corporation
(Exact name of registrant as specified in its charter)

New Hampshire
(State or other jurisdiction of
incorporation or organization)

02-0381573
(I.R.S. Employer
Identification No.)

216 Epping Road, Exeter, New Hampshire
(Address of principal executive offices)

03883-4571
(Zip Code)

Registrant's telephone number, including area code: (603) 772-0775

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, No Par Value	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

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 ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K ☒

Based on the closing price of March 1, 1995, the aggregate market value of common stock held by non-affiliates of the registrant was \$63,856,766.

The number of common shares outstanding of the registrant was 4,281,140 as of March 1, 1995.

Documents Incorporated by Reference:

Portions of the 1994 Annual Report to Shareholders are incorporated by reference into Parts II and IV of this Report.
Portions of the Proxy Statement relating to the Annual Meeting of Shareholders to be held April 20, 1995, are incorporated by reference into Part III of this Report.

PART I

Item 1. Business.

General

UNITIL Corporation (the Company), a registered public utility holding company, was incorporated under the laws of The State of New Hampshire on September 7, 1984. Through Concord Electric Company (CECo), Exeter & Hampton Electric Company (E&H), Fitchburg Gas and Electric Light Company (FG&E) and UNITIL Power Corp. (UNITIL Power), all of which are wholly owned utility subsidiaries of the Company, the Company's principal business is the purchase, transmission, distribution and sale of electricity at retail, and the distribution and sale of natural gas at retail by FG&E. The Company was initially incorporated in connection with a business combination between CECo and E&H, which became subsidiaries of the Company on January 23, 1985 through a share exchange. Prior to

this share exchange, the Company conducted no business operations and had no assets. FG&E became a wholly owned subsidiary of the Company by a "pooling of interests" merger between FG&E and the Company on April 28, 1992. UNITIL Power, a New Hampshire corporation incorporated on October 9, 1984, is the wholesale supplier of electricity to CECO and E&H. The Company has three additional subsidiaries: UNITIL Realty Corp. (UNITIL Realty), UNITIL Service Corp. (UNITIL Service) and UNITIL Resources, Inc. (UNITIL Resources). The Company's principal executive office is located at 216 Epping Road, Exeter, New Hampshire 03833-4571. (Telephone (603) 772-0775)

CECO, a New Hampshire corporation incorporated in 1901, is engaged in the purchase, transmission, distribution and sale of electricity at retail to approximately 25,200 customers in the City of Concord, which is the state capital, and twelve surrounding towns, all in New Hampshire. CECO's service area consists of approximately 240 square miles in the Merrimack River Valley of south central New Hampshire. The service area includes the City of Concord and major portions of the surrounding towns of Bow, Boscawen, Canterbury, Chichester, Epsom, Salisbury and Webster, and limited areas in the towns of Allenstown, Dunbarton, Hopkinton, Loudon and Pembroke. The total estimated population of CECO's service area is 79,000.

CECO serves residential, commercial and industrial customers. The State of New Hampshire's government operations are located within CECO's service area, including the executive, legislative, judicial branches and offices and facilities for all major state government services. In addition, CECO's service area is a retail trading center for the north central part of the state and has over sixty diversified businesses relating to insurance, printing, electronics, granite, belting, plastic yarns, furniture, machinery, sportswear and lumber. Of CECO's 1994 retail electric revenues, approximately 35% was derived from residential sales, 52% from commercial and non-manufacturing sales, 11% from industrial/manufacturing sales and 2% from other sales.

E&H, a New Hampshire corporation incorporated in 1908, is engaged in the purchase, transmission, distribution and sale of electricity at retail to approximately 36,250 customers in Exeter and in all or part of seventeen surrounding towns, all in New Hampshire. E&H's service area consists of approximately 168 square miles in southeastern New Hampshire. The service area includes all of the towns of Atkinson, Danville, East Kingston, Exeter, Hampton, Hampton Falls, Kensington, Kingston, Newton, Plaistow, Seabrook, South Hampton and Stratham, and portions of the towns of Derry, Brentwood, Greenland, Hampstead and North Hampton. The total estimated population in E&H's service area is 114,000.

E&H serves residential, commercial and industrial customers. Commercial and industrial customers are quite diversified and include retail stores, shopping centers, motels, farms, restaurants, apple orchards and office buildings, as well as manufacturing firms engaged in the production of sportswear, automobile parts and electronic components. It is estimated that there are over 150,000 daily summer visitors to E&H's territory, which includes several popular resort areas and beaches along the Atlantic Ocean. Of E&H's 1994 retail electric revenues, approximately 48% was derived from residential sales, 40% from commercial and non-manufacturing sales, 10% from industrial/manufacturing sales and 2% from other sales.

FG&E, a Massachusetts corporation organized in 1852, is an operating public utility providing electric and natural gas service in the City of Fitchburg and several surrounding communities. FG&E's service area encompasses approximately 170 square miles in north central Massachusetts.

Electric service is supplied by FG&E to approximately 25,300 customers in the communities of Fitchburg, Ashby, Townsend and Lunenburg. The estimated population of FG&E's service area is 82,000. FG&E provides electric service to residential, commercial, and industrial customers. FG&E's industrial customers include paper manufacturing and allied products companies, rubber and plastics manufacturers, chemical products companies and printing, publishing and allied industries. Of FG&E's 1994 electric revenues, approximately 36% was derived from residential sales, 34% from commercial and non-manufacturing sales, 28% from industrial/manufacturing sales and 2% from other sales.

Natural gas service is supplied by FG&E to approximately 15,000 customers in the communities of Fitchburg, Lunenburg, Townsend, Ashby, Gardner and Westminster, all located in Massachusetts. Of FG&E's 1994 gas operating revenues, approximately 56% was derived from residential sales, 24% from commercial sales, 13% from firm sales to industrial customers, and 7% from interruptible sales (which are sales to customers who possess alternative energy sources and who use gas on an as-available basis). Approximately 30% of

FG&E's industrial gas revenue was derived from firm sales to paper manufacturing and allied products companies. The industrial gas revenue was derived from firm sales to fabricated metal products manufacturers, rubber and plastics manufacturers, primary iron manufacturers and other miscellaneous industries.

Natural gas sales in New England are seasonal, and the Company's results of operations reflect this seasonality. Accordingly, results of operations are typically positively impacted by gas operations during the five heating season months from November through March of the following year. Electric sales in New England are far less seasonal than natural gas sales; however, the highest usage typically occurs in the summer and winter months due to air conditioning and heating requirements, respectively.

UNITIL Power, a New Hampshire corporation incorporated in 1984, is the full requirements wholesale supplier of electricity to CECO and E&H. (See Energy Requirements and Regulation and Rates.)

UNITIL Realty, a New Hampshire corporation incorporated in 1986, was established to acquire real estate to support the growth and expansion of the Company's utility business. UNITIL Realty, until February 1995, owned the Company's corporate headquarters and related land located on Epping Road in Exeter, New Hampshire. This property was taken by the State of New Hampshire, through eminent domain, for the planned expansion of Route 101. (See "Capital Requirements" under Item 1 of this report)

UNITIL Resources, a New Hampshire corporation incorporated in 1993, provides consulting and other services on energy related matters to non-affiliates. These services include power marketing, financial, accounting, regulatory and related operational services.

UNITIL Service, a New Hampshire corporation incorporated in 1984, supplies centralized professional and support services to the UNITIL System of Companies.

Franchises and Competition

CECo and E&H each hold franchises from the New Hampshire Public Utilities Commission (NHPUC) to serve their respective areas. Such franchises are currently exclusive. The NHPUC has the authority, which it has never exercised, to grant competing franchises. There is legislative authority which permits New Hampshire municipalities to engage in the production and sale of electricity, including the power to condemn the plant and property of any existing public utility which is located within the municipality. The Company knows of no such movement in any municipality served by either CECO or E&H to enter into the production or purchase and sale of electricity. CECO and E&H compete at retail with distributors of other forms of energy, including gas and fuel oil, throughout the territories served.

While franchise rights of FG&E are non-exclusive, statutes restrict competition from other companies without approval of the Massachusetts Department of Public Utilities (MDPU). Under the laws of Massachusetts, a municipality by appropriate vote of its residents may enter the gas or electric business and purchase the facilities of the utility serving such municipality if the company is willing to sell. If the utility is unwilling to sell, the municipality may construct a plant or acquire one from another source. No municipality has taken any such action in Massachusetts in recent years. FG&E competes at retail with distributors of other forms of energy; principally unregulated fuel oil and propane gas retailers, throughout the territories served.

UNITIL and the electric utility industry are facing increased competitive pressure in both wholesale and retail markets due to economic, social and political forces. They include legislative and regulatory changes, technological advances, consumer demands and environmental factors. Competition at the wholesale level has existed for a number of years, and has been increasing as a result of the passage of the Energy Policy Act of 1992 (EPACT), initiatives in transmission pricing and policy at the Federal Energy Regulatory Commission (FERC), and greater contracting activity among utility and non-utility suppliers. As a purchaser of electric energy for resale to customers, wholesale competition has provided the UNITIL Companies with many opportunities for achieving significant power supply savings for customers.

The electric utility industry and the regulatory agencies responsible for its regulation are presently involved in various discussions and initiatives relative to competition in the industry. The NHPUC is currently considering a petition to allow sales of electricity by a power marketer to certain industrial customers in the franchise territory of an investor-owned New Hampshire utility. Although the power marketer is not proposing to sell in CECO's or E&H's service territories, the NHPUC could adopt policies in this proceeding endorsing or allowing greater competition within retail

electric utilities' service territories. The NHPUC is also sponsoring a series of roundtable discussions with the New Hampshire legislature, utilities, industrial customers and other interested parties to explore the potential for increased competition in the retail sale of electricity in New Hampshire.

In Massachusetts, the MDPU has opened an investigation into the restructuring of the Massachusetts electric industry to consider how the industry and regulators should respond to the increasing pressures for competition.

Although the Company cannot predict the outcome of these legislative changes and regulatory proceedings or the similar changes and proceedings which are underway in many states, the Companies do believe that increasing competition in the industry is inevitable, and that the Companies are well positioned to respond positively to that competition.

Rates and Regulation

The Company is registered with the Securities and Exchange Commission (SEC) as a holding company under the Public Utility Holding Company Act of 1935 (1935 Act), and it and its subsidiaries are subject to the provisions of the 1935 Act. The Company and its subsidiaries, where applicable, are subject to regulation by the Federal Energy Regulatory Commission (FERC), the NHPUC and the MDPU with respect to rates, adequacy of service, issuance of securities, accounting and other matters. UNITIL Power, as a wholesale utility, is subject to rate regulation by the FERC. Both CECO and E&H, as retail electric utilities in New Hampshire, are subject to rate regulation by the NHPUC, and FG&E is subject to MDPU regulation with respect to gas and electric retail rates, and FERC regulation with respect to New England Power Pool (NEPOOL) interchanges and other wholesale sales of electricity.

The revenues of the Company's three retail operating subsidiaries are collected pursuant to rates on file with the NHPUC, the MDPU and, to a minor extent, the FERC. In general, retail rates are comprised of a base rate component, established during comprehensive base rate cases, and various periodic rate adjustment mechanisms, which track and reconcile particular expense elements with associated collected revenues. The majority of the System's utility operating revenues are collected under various rate adjustment mechanisms, including revenues collected from customers for fuel, purchased power, cost of gas, and demand-side management program costs.

The UNITIL System Agreement (System Agreement), as approved by the FERC, governs wholesale sales by UNITIL Power to its New Hampshire retail distribution affiliates, CECO and E&H, and provides for recovery by UNITIL Power of all costs incurred in the provision of service. UNITIL Power has continued to adjust its wholesale rates every six months in accordance with the System Agreement, and CECO and E&H have continued to file corresponding semi-annual changes in their retail fuel and purchased power adjustment clauses with the NHPUC for approval.

FG&E also files a quarterly electric fuel charge and a semi-annual gas adjustment factor with the MDPU for approval to adjust its rates for changes in fuel and gas related costs. Although all of FG&E's fuel costs and the largest portion of its purchased power costs are fully recovered under the Department's Electric Fuel Charge regulations, FG&E's electric generation entitlements are subject to annual performance reviews. Performance targets are filed by FG&E in advance and approved by the Department, and in January of each year FG&E files data on actual unit performance for the prior November to October period. The Department will investigate reasons why units failed to meet target performance criteria, and has in some cases disallowed recovery of replacement power costs for unplanned outages which the Department deemed to be due to imprudent operations or actions.

The last comprehensive regulatory proceedings to increase base rates for the Company's retail operating subsidiaries were in 1985 for CECO, 1984 for FG&E, and 1982 for E&H.

In November, 1993, FG&E made a voluntary proposal before the MDPU to reduce its base rates charged to customers. This proposal was made in conjunction with a \$19 million long-term note financing completed by FG&E in late 1993, and shared the savings resulting from the financing through a reduction in base rates. The MDPU approved FG&E's proposal and the rate reduction became effective on December 1, 1993. As a result, the first full year impact of this rate reduction is reflected in the Company's 1994 operating results.

FG&E, the Company's combination gas and electric retail operating subsidiary, has been incurring FERC-approved transition charges from interstate pipeline suppliers, resulting from the

transition to a comprehensive set of new regulations under FERC Order 636 (See "Resource Planning" below). In June, 1994, the MDPU opened an investigation for the purpose of setting standards for the recovery by Massachusetts gas utilities of FERC Ordered 636-related transition costs billed by interstate pipeline companies. On March 8, 1995, the DPU issued its final Order in this proceeding, which authorized and directed all gas utilities to recover Order 636-related transition costs as incurred through the cost of gas adjustment mechanism on a flat volumetric rate. Through the end of 1994, the amount of transition costs incurred by FG&E totaled approximately \$1.7 million. These costs have been recovered directly from FG&E's gas customers through the cost of gas adjustment mechanism. Based on estimates included in rate filings before the FERC, and on other publicly available information, it is estimated that FG&E may incur up to an additional \$1.7 million of transition costs in future years. FG&E expects full recovery of these costs through billings to customers.

Resource Planning

Within both New Hampshire and Massachusetts state jurisdictions, the Company's utility operating subsidiaries are subject to regulatory review of their forecasting, planning, and long term resource acquisition processes. The operating companies are required to file resource planning documents and plans every two years, in accordance with Integrated Resource Management (IRM) rules in Massachusetts and the Integrated Resource Planning (IRP) process in New Hampshire. Additionally, the operating companies are currently required to file annually comprehensive Demand-Side Management Program Plans with their respective state regulatory commissions.

Electric Resource Planning

In New Hampshire, an IRP was filed with the NHPUC on April 30, 1994. The NHPUC approved the IRP on February 22, 1995. On October 1, 1993, E&H and CECO filed the 1994 DSM Program Plan. In December, 1993, the NHPUC issued an Order providing for the continuation of the 1993 programs into 1994, and the review of the 1994 Program Plan during the first quarter of 1994. Based on its review of the 1994 Program Plan the NHPUC approved and 18-month DSM program commencing July 1, 1994. The 1995/96 DSM Program Plan was filed with the NHPUC on February 1, 1995.

In Massachusetts, FG&E filed its first IRM with the MDPU on August 3, 1992. In January 1993, FG&E filed a Comprehensive Settlement of Phase I of the IRM process. On November 15, 1993, FG&E made its Phase III IRM filing, in which it proposed DSM programs for 1994-1995, and supply side initiatives. On February 15, 1994, the MDPU approved this filing, authorized the DSM programs to proceed, and approved the supply resources.

Gas Resource Planning

The MDPU requires that gas companies file long term gas forecasts and resource plans consistent with IRP principles, and further requires that all contracts in excess of one year be filed for approval in advance. FG&E filed a gas IRP on July 29, 1994. The MDPU has initiated a review of FG&E's gas IRP. The MDPU review is expected to be completed by the end of 1995.

Under FERC Order 636, issued in 1992, Tennessee Gas Pipeline Company (TGP), FG&E's former sole supplier of pipeline services, was required to unbundle its transportation services and its sales services, and all Local Distribution Companies (LDCs) were required to arrange for a portfolio of transport, storage and supply contracts to meet customer requirements. In 1992, FG&E converted approximately half of its TGP sales service to transportation only service, and on October 1, 1992 began purchasing gas supply from new sources pursuant to two new long term contracts approved by the MDPU. In 1993, the company filed two additional contracts with the MDPU under which the remainder of its bundled supply service from TGP was converted to transportation only services. The contracts went into effect on November 1, 1993 and approved by the MDPU on March 30, 1994.

Energy Requirements

CECO, E&H, FG&E and UNITIL Power are members of NEPOOL. Under the NEPOOL Agreement, to which virtually all New England electric utilities are parties, substantially all operation and dispatching of electric generation and bulk transmission capacity in New England is performed on a regional basis. The NEPOOL Agreement imposes generating capacity and reserve obligations and provides for the use of major transmission facilities and payments associated therewith. Each company's capability responsibility under NEPOOL involves carrying an allocated share of New England capacity requirements

which is determined for each six-month period based on regional reliability criteria. UNITIL Power, as the full requirements supplier to CECO and E&H, has a capability responsibility as of December, 1994 of 215.84 MW and a corresponding peak demand of 190.84 MW that occurred on July 21, 1994. FG&E's capability responsibility as of December 1994 was 91.34 MW, with a corresponding peak demand of 77.14 MW that occurred on July 21, 1994.

To meet the needs of CECO and E&H, UNITIL Power has contracted for generating capacity and energy and for associated transmission services as needed to meet NEPOOL requirements and to provide a diverse and economical energy supply. UNITIL Power's purchases are from various utility and non-utility generating units using a variety of fuels and from several utility systems in the U.S. and Canada. For the twelve months ending December 31, 1994, UNITIL Power's energy needs were provided by the following fuel sources: nuclear (45%), oil (23%), coal (17%), gas (7%), wood and refuse (5%), hydro (1%), and system and other (2%).

FG&E meets its capacity requirements through ownership interests and power purchase contracts. FG&E's purchases are from various utility and non-utility generating units using a variety of fuels and from several utility systems in the U.S. and Canada. For the twelve months ending December 31, 1994, FG&E's energy needs, including generation from joint-owned units, were provided from the following fuel sources: nuclear (37%), oil (25%), wood (26%), hydro (5%), coal (2%) and system and other (5%).

FG&E has a 4.5% ownership interest, or 20.12 MW, in an oil and natural gas-fired generating plant in New Haven, Connecticut, which is operated by The United Illuminating Company, the plants' majority owner. FG&E also has a 0.1822% ownership interest, or 1.13 MW, in an oil-fired generating plant in Yarmouth, Maine, which is operated by Central Maine Power Company as the majority owner, and a 0.217% ownership interest, or 2.5 MW, in the Millstone 3 nuclear unit operated by Northeast Utilities, parent of the principal owners of that unit. In addition, FG&E operates an oil-fired combustion turbine with a current capability of 26.6 MW under a long-term financing lease.

Fuel Supply

Oil. Approximately 25% of FG&E's and 23% of UNITIL Power's electric power in 1994 was provided by oil-fired units, some of which are owned by FG&E. Most fuel oil used by New England electric utilities is acquired from foreign sources and is subject to interruption and price increases by foreign governments.

Coal. Approximately 2% of FG&E's and 17% of UNITIL Power's 1994 requirements were from coal-burning facilities. The facilities generally purchase their coal under long term supply agreements with prices tied to economic indices. Although coal is stored both on-site and by fuel suppliers, long term interruptions of coal supply may result in limitations in the production of power or fuel switching to oil and thus result in higher energy prices.

Nuclear. FG&E has a 0.217% ownership interest in Millstone Unit No. 3 (the Unit). The Unit has contracted for certain segments of the nuclear fuel production cycle through various dates. This cycle includes, among other things, mining, enrichment and disposal of used fuel. Contracts for various segments of the fuel cycle will be required in the future, and their availability, prices and terms cannot now be predicted.

Pursuant to the Nuclear Waste Policy Act of 1982, the participants in Millstone 3 were required to enter into contracts with the United States Department of Energy, prior to the operation of that Unit, for the transport and disposal of spent fuel at a nuclear waste repository. Under the Act, a national repository for nuclear waste was anticipated to be in operation by 1998. FG&E cannot predict whether the Federal government will be able to provide interim storage or permanent disposal repositories for spent fuel.

Gas Operations and Supply

FG&E distributes gas purchased from domestic and Canadian suppliers under long term contracts as well as gas purchased from producers and marketers on the spot market. The diversity and flexibility of supply reflects FG&E's commitment to securing a reliable gas supply at the lowest possible cost. The following tables summarize actual gas purchases by source of supply and the cost of gas sold for the years 1992 through 1994:

Sources of Gas Supply

(Expressed as percent of total MMBtu of gas purchased)

Natural Gas:	1994	1993	1992
Domestic firm	81.9%	58.4%	19.8%
Canadian firm	6.2%	11.0%	8.1%
Domestic spot market	9.0%	25.2%	68.4%
Total natural gas	97.1%	94.6%	96.3%
Supplemental gas	2.9%	5.4%	3.7%
Total gas purchases	100.0%	100.0%	100.0%

Cost of Gas Sold

	1994	1993	1992
Cost of gas purchased and sold per MMBtu	\$3.47	\$3.78	\$3.75
Percent Increase (Decrease) from prior year	(8.2)%	0.8%	6.8%

Under Order 636, issued by the FERC in 1992, FG&E's former sole supplier of pipeline services, TGP, was required to unbundle its transportation services and its sales services. As a result, all Local Distribution Companies (LDCs) now arrange for a portfolio of transport, storage and supply contracts to meet customer requirements.

In 1993, FG&E added two long term purchases of gas supply that replaced supplies previously provided by TGP. These contracts expire on October 1999 and October 1996 respectively. The MDPU approved these contracts in March 1994. FG&E also has underground storage contracts which provide significant natural gas storage capacity. TGP also provides FG&E with underground storage. FG&E has firm transportation agreements with TGP for delivery of storage gas.

As a supplement to pipeline natural gas, FG&E owns a propane air gas plant and has under a financial lease a liquefied natural gas (LNG) storage and vaporization facility. These plants are used principally during peak load periods to augment the supply of pipeline natural gas.

Environmental Matters

The Company does not expect that compliance with environmental laws or regulations will have a material effect on its business, or the businesses of its subsidiaries. The Company does not know whether, or to what extent, such regulations may affect it or its subsidiaries by impinging on the operations of other electric and gas utilities in New England.

UNITIL Power and FG&E purchase wholesale capacity and energy from a diverse group of suppliers using various fuel sources and FG&E has ownership interests in certain generating plants. Some of the purchase power contracts contain cost adjustment provisions that may allow the supplier to pass through environmental remediation costs. The Company has not been informed whether any of these suppliers are likely to incur significant environmental remediation costs and, if so, which if any such costs may be passed through.

For many years, the Company's combination gas and electric operating subsidiary, FG&E, and a former subsidiary of FG&E, operated coal gasification plants in Fitchburg (the Sawyer Passway Site) and Gardner (the Logan Street Site), Massachusetts. During the last several years, FG&E has been working with federal and state agencies and other responsible parties to assess the environmental contamination in the vicinity of the sites as a result of historical gas manufacturing operations. Based on information developed over the last several years, it had been discovered that there was some environmental contamination at the Fitchburg site which will require continuing assessment as well as potential remedial action in the future. The DEP has classified the Sawyer Passway Site as a confirmed hazardous waste site, which will require compliance under the DEP Massachusetts Contingency Plan (MCP) regulations.

New MCP regulations were issued by the DEP in June, 1993, and took effect October 1, 1993. Under the regulations, FG&E has five

years from the date of a hazardous waste TIER classification permit to complete the remediation effort at the Sawyer Passway Site. The new procedures include site ranking, the use of a State Licensed Site Professional, and compliance with various other new applications, reporting, and enforcement procedures. Based on work done with the DEP during 1994 in compliance with the MCP regulations, FG&E received notification of the Sawyer Passway Site TIER classification permit in December, 1994. The five year remediation clock will commence in 1995. Also in coordination with the DEP requirements, FG&E will conduct a preliminary site assessment of the Logan Street Site in 1995. Because the assessment process is at an early stage at both sites, the Company cannot currently predict the magnitude or timing of required expenditures for any future site analysis and remediation.

The costs of such assessment, and any remedial action taken in connection with testing, analysis and remediation work at these sites, are initially funded internally and then recovered under a rate recovery mechanism approved by the MDPU. This rate recovery mechanism provides for the deferral of environmental costs, and subsequent recovery through future rates over succeeding seven-year periods. Any recovery that FG&E receives from insurance or third parties, with respect to the environmental response costs incurred by it, will be split equally between FG&E and its customers, through an appropriate adjustment to the rate recovery mechanism.

Capital Requirements

The UNITIL System companies primarily require capital for the acquisition of property, plant & equipment to improve, protect, maintain and expand their electric and gas operating systems. Capital expenditures were approximately \$9.2 million in 1994, and \$7.9 million in 1993 and 1992. These levels of capital expenditures reflect increasing sales and customer growth in 1994 and 1993 and planned utility system improvements.

In 1995, capital expenditures are expected to increase by about \$5.9 million, compared to the prior year, to a total capital expenditure level of \$15.1 million. This projected increase of \$5.9 million primarily reflects additional capital expenditures of approximately \$3.4 million for the commencement of construction of a new corporate headquarters, as well as an increase in capital expenditures of approximately \$2.5 million for planned utility system expansions, replacements and other improvements. The Company currently estimates that capital expenditures of approximately \$6 million will be required over a two year period for the completion of the new corporate headquarters in 1996.

In late 1993, UNITIL Realty, the Company's wholly-owned real estate subsidiary, first received written notice that the State of New Hampshire intended to acquire the Company's corporate headquarters and related land (the Property) by purchase or condemnation in connection with the State of New Hampshire's Route 101 highway expansion project. On February 2, 1995, UNITIL Realty received a formal Notice of Offer from the State for the purchase of the Property for \$2 million. The Company did not accept the State's offer based on the results of an independent appraisal conducted for the Company which valued the Property significantly in excess of the State's offer. As prescribed by statute, the State initiated an eminent domain procedure by filing a declaration of taking with the New Hampshire Board of Tax and Land Appeals (the Board) on February 13, 1995, and depositing with the Board the offer price of \$2 million. UNITIL Realty has withdrawn these funds from the Board without prejudice as to the Appeal process, and on March 17, 1995 the funds were used to pay in full all principal and interest due on the note secured by the mortgage on the Property.

Financing Activities

On October 14, 1994, CECO sold \$6,000,000 of its 30-year Series I First Mortgage Bonds and E&H sold \$9,000,000 of its 30-year Series K First Mortgage Bonds to an institutional investor at par, bearing an interest rate in each case of 8.49%. CECO and E&H used the proceeds of these issuances to repay short-term indebtedness, incurred to fund their construction programs, and to redeem higher cost long term debt issues prior to maturity. CECO's redemptions totaled \$2,430,000 and included: \$930,000 of Series D First Mortgage Bonds, 8.79%; and \$1,500,000 of Series G First Mortgage Bonds, 9.85%. E&H's redemptions totaled \$3,565,000 and included: \$1,235,000 of Series F First Mortgage Bonds, 8.70%; \$930,000 of Series G First Mortgage Bonds, 8.875%; and \$1,400,000 of Series I First Mortgage Bonds, 9.85%.

The Company currently has unsecured committed bank lines for short-term debt aggregating \$11,000,000 with three banks for which

it pays commitment fees. Further, the Company has an unsecured guidance line of credit for short-term debt, on a "when available" basis, aggregating \$3,000,000 with one bank, for which it pays no commitment fees. The average interest rate on all short-term borrowings outstanding during 1994 was 4.43%.

Employee Relations

As of December 31, 1994, the Company and its subsidiaries had 317 full-time employees. The Company considers its relationship with its employees to be good and has not experienced any major labor disruptions since the early 1960's.

There are 126 employees represented by labor unions. In 1994, two of UNITIL's retail operating subsidiaries, CECO and FG&E, reached new three year pacts with their respective employees covered by collective bargaining agreements. The agreements provide for discreet salary adjustments, established work practices and provided uniform benefit packages. Under the terms of its existing collective bargaining agreement, UNITIL's third retail operating subsidiary, E&H, is currently negotiating a new collective bargaining agreement to take effect on May 31, 1995.

The Company and its subsidiaries, where applicable, have in effect funded Retirement Plans and related Trust Agreements providing retirement annuities for participating employees at age 65. The Company's policy is to fund the pension cost accrued. (See Note 9 of Notes to Consolidated Financial Statements contained in Exhibit 13.1.)

Executive Officers of the Registrant

The names, ages and positions of all of the executive officers of the Company as of March 1, 1995 are listed below, along with a brief account of their business experience during the past five years. All officers are elected annually by the Board of Directors at the Directors' first meeting following the annual meeting which is held on the third Thursday in April, or at a special meeting held in lieu thereof. There are no family relationships among these officers, nor is there any arrangement or understanding between any officer and any other person pursuant to which the officer was selected. Officers of the Company also hold various Director and Officer positions with subsidiary companies.

Name, Age and Position	Business Experience During Past 5 years
Peter J. Stulgis, 44, Chairman of the Board of Directors and Chief Executive Officer	Mr. Stulgis has been a Director of the Company since its incorporation in 1984, and Chairman of the Board and Chief Executive Officer since 1992. From 1987 - 1992, Mr. Stulgis was Executive Vice President and Chief Financial Officer of the Company.
Michael J. Dalton, 54, President and Chief Operating Officer	Mr. Dalton has been a Director, President and Chief Operating Officer of the Company since its incorporation in 1984.
Gail A. Siart, 36, Chief Financial Officer, Secretary and Treasurer	Ms. Siart was promoted to Chief Financial Officer in 1994. Ms. Siart has been Secretary of the Company since 1988 and Treasurer since 1992. Prior to being elected Treasurer in 1992, Ms. Siart was the System's Subsidiary Treasurer since 1988.
James G. Daly, 37 Senior Vice President Energy Resources UNITIL Service	Mr. Daly was promoted to Senior Vice President of UNITIL Service in 1994. Mr. Daly was Vice President of UNITIL Service from 1992 to 1994, and Asst. Vice President of UNITIL Service from 1988 to 1992.
George R. Gantz, 43 Senior Vice President	Mr. Gantz was promoted to Senior Vice President of UNITIL Service

Business Development
UNITIL Service

in 1994. Mr. Gantz was Vice
President of UNITIL Service from
1989 to 1994, and Asst. Vice
President of UNITIL Service from
1986 to 1989.

Item 2. Properties

CECo's distribution service center building and adjoining administration building, totaling 37,560 square feet of office, warehouse and garage area, are located on land in the City of Concord owned by CECo in fee. CECo's sixteen electric distribution substations constitute 83,900 KVA of capacity for the transformation of electric energy from the 34.5 KV transmission voltage to primary distribution voltage levels. The electric substations are, with one exception, located on land owned by CECo in fee. The sole exception is located on land occupied pursuant to a perpetual easement.

CECo has in excess of 39 pole miles of 34.5 KV electric transmission facilities located, with minor exceptions, either on land owned by CECo in fee or on land occupied pursuant to perpetual easements. CECo also has 607 pole miles of overhead electric distribution primary voltage lines and approximately 90 cable miles of underground primary voltage lines. The electric distribution lines are located in, on or under public highways or private lands pursuant to lease, easement, permit, municipal consent, tariff conditions, agreement or license, expressed or implied through use by CECo without objection by the owners. In the case of certain distribution lines, CECo owns only a part interest in the poles upon which its wires are installed, the remaining interest being owned by telephone and telegraph companies.

Additionally, CECo owns in fee 137.7 acres of land located on the east bank of the Merrimack River in the City of Concord. Of the total acreage, 81.2 acres are located within an industrial park zone, as specified in the zoning ordinances of the City of Concord.

The physical properties of CECo (with certain exceptions) and its franchises are subject to the lien of its Indenture of Mortgage and Deed of Trust, as supplemented, under which the respective series of First Mortgage Bonds of CECo are outstanding.

E&H's distribution and engineering service center building is located on land owned by E&H in fee. E&H's fourteen electric distribution substations, together with a 5,000 KVA mobile substation, constitute 91,400 KVA of capacity for the transformation of electric energy from the 34.5 KV transmission voltage to primary distribution voltage levels. The electric substations are located on land owned by E&H in fee.

E&H has in excess of 68 pole miles of 34.5 KV electric transmission facilities located on land either owned or occupied pursuant to perpetual easements. E&H also has 681 pole miles of overhead electric distribution primary voltage lines and approximately 69 cable miles of underground primary voltage lines. The electric distribution lines are located in, on or under public highways or private lands pursuant to lease, easement, permit, municipal consent, tariff conditions, agreement or license, expressed or implied through use by E&H without objection by the owners. In the case of certain distribution lines, E&H owns only a part interest in the poles upon which its wires are installed, the remaining interest being owned by telephone and telegraph companies.

Certain physical properties of E&H and its franchises are subject to the lien of its Indenture of Mortgage and Deed of Trust, as supplemented, under which the respective series of First Mortgage Bonds of E&H are outstanding.

FG&E owns a propane gas plant and leases an LNG plant, both of which are located on land owned by it in fee. The Company has entered into agreements for joint ownership with others of one nuclear and two fossil fuel generating facilities. At December 31, 1993, the electric properties of the Company consisted principally of 70 miles of transmission lines, 18 transmission and distribution substations with a total capacity of 292,150 KVA (one thousand volt-amperes) and 646 miles of distribution lines. Electric transmission facilities (including substations) and steel, cast iron and plastic gas mains owned by the Company are, with minor exceptions, located on land owned by the Company in fee or occupied pursuant to perpetual easements. The Company leases its service building, and its combustion turbine electric peaking generator and LNG facility. (See Business - Electric Operations and Energy Supply and Gas Operations and Supply above for additional information regarding the Company's plants, facilities and gas mains and services.)

UNITIL Realty was, until February 13, 1995, the owner of the Company's corporate headquarters and 36 acres of related land located in the Town of Exeter, New Hampshire. On that date the

State of New Hampshire (the "State") took title to and possession of the land and building through eminent domain. The building is to be demolished in connection with the State's Route 101 highway expansion. (See Capital Requirements under Item 1. of this Report) The State has indicated that it does not intend to utilize the property over the next couple of years, and it is allowing the Company to remain on the property while The Company completes the construction of a new corporate office building. The Company believes that its facilities are currently adequate for their intended uses.

Item 3. Legal Proceedings

In June, 1993, E&H was served with a complaint from Zeabrook Associates, the owner of an apartment complex. In that complaint filed in the New Hampshire Superior Court for Rockingham County, the owner asserts that the Company improperly imposed a cash deposit requirement for new residential customers in the claimant's apartment complex resulting in lost rental income and damages to reputation. The Company believes that these claims are entirely without merit, and it has and will continue to actively defend itself against them. Likelihood of unfavorable outcome or extent of loss cannot be estimated at this time.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

PART II

Item 5. Market for the registrant's common equity and related stockholder matters.

Common Stock Market Prices and Dividends are provided in Item 5. of Exhibit 13.1.

Item 6. SELECTED FINANCIAL DATA

Selected Consolidated Financial Data are provided in Item 6. of Exhibit 13.1.

Item 7. Management's Discussion and Analysis of financial condition and results of operations

Management's Discussion and Analysis of Financial Condition and Results of Operations are provided in Item 7. of Exhibit 13.1.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements and Supplementary Data of the Company are provided in Item 8. of Exhibit 13.1.

Consolidated Balance Sheets - December 31, 1994 and 1993

Consolidated Statements of Earnings - for the years ended December 31, 1994, 1993 and 1992

Consolidated Statements of Capitalization - December 31, 1994 and 1993

Consolidated Statements of Cash Flows
for the years ended December 31, 1994, 1993 and 1992

Consolidated Statements of Changes in Common Stock Equity -
for the years ended December 31, 1994, 1993 and 1992

Notes to Consolidated Financial Statements

Report of Independent Certified Public Accountants

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this Item is set forth in Exhibit 99.1

on pages 2 through 6 of the 1995 Proxy Statement.

Item 11. EXECUTIVE COMPENSATION

Information required by this Item is set forth in Exhibit 99.1 on pages 8 through 12 of the 1995 Proxy Statement.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this Item is set forth in Exhibit 99.1 on pages 2 through 4 of the 1995 Proxy Statement and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None

PART IV.

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) and (2) - The response to this portion is submitted as a separate section of this report

(3) - List of Exhibits

Exhibit No.	Description of Exhibit	Reference*
3.1	Articles of Incorporation of the Company.	Exhibit 3.1 to Form S-14 Registration Statement 2-93769
3.2	Articles of Amendment to the Articles of Incorporation filed on March 4, 1992 and April 30, 1992.	Exhibit 3.2 to Form 10-K for 1992
3.3	By-Laws of the Company.	Exhibit 3.2 to Form S-14 Registration Statement 2-93769
3.4	Articles of Exchange of Concord Electric Company (CECo), Exeter & Hampton Electric Company (E&H) and the Company	Exhibit 3.3 to 10-K for 1984
3.5	Articles of Exchange of CECo, E&H, and the Company - Stipulation of the Parties Relative to Recordation and Effective Date.	Exhibit 3.4 to Form 10-K for 1984
3.6	The Agreement and Plan of Merger dated March 1, 1989 among the Company, Fitchburg Gas and Electric Light Company (FG&E) and UMC Electric Co., Inc. (UMC).	Exhibit 25(b) to Form 8-K dated March 1, 1989
3.7	Amendment No. 1 to The Agreement and Plan of Merger dated March 1, 1989 among the Company, FG&E and UMC	Exhibit 28(b) to Form 8-K, dated December 14, 1989
4.1	Indenture of Mortgage and Deed of Trust dated July 15, 1958 of CECo relating to First Mortgage Bonds, Series B, 4 3/8% due September 15, 1988 and all series unless supplemented.	**
4.2	First Supplemental Indenture dated January 15, 1968 relating to CECo's First Mortgage Bonds, Series C, 6 3/4% due January 5, 1998 and all additional series unless supplemented.	**
4.3	Second Supplemental Indenture dated November 15, 1971 relating to CECo's First Mortgage Bonds, Series D, 8.70% due	

- November 15, 2001 and all additional series unless supplemented. **
- 4.4 Fourth Supplemental Indenture dated March 28, 1984 amending CECO's Original First Mortgage Bonds Indenture, and First, Second and Third Supplemental Indentures and all additional series unless supplemented. **
- 4.5 Fifth Supplemental Indenture dated June 1, 1984 relating to CECO's First Mortgage Bonds, Series F, 14 7/8% due June 1, 1999 and all additional series unless supplemented. **
- 4.6 Sixth Supplemental Indenture dated October 29, 1987 relating to CECO's First Mortgage Bonds, Series G, 9.85% due October 15, 1997 and all additional series unless supplemented. Exhibit 4.6 to Form 10-K for 1987
- 4.7 Seventh Supplemental Indenture dated August 29, 1991 relating to CECO's First Mortgage Bonds, Series H, 9.43% due September 1, 2003 and all additional series unless supplemented. Exhibit 4.7 to Form 10-K for 1991
- 4.8 Eighth Supplemental Indenture dated October 14, 1994 relating to CECO's First Mortgage Bonds, Series I, 8.49% due October 14, 2024 and all additional series Filed herewith unless supplemented.
- 4.9 Indenture of Mortgage and Deed of Trust dated December 1, 1952 of E&H relating to all series unless supplemented. Exhibit 4.5 to Registration Statement 2-49218
- 4.10 Third Supplemental Indenture dated June 1, 1964 relating to E&H's First Mortgage Bonds, Series D, 4 3/4% due June 1, 1994 and all additional series unless supplemented. Exhibit 4.5 to Registration Statement 2-49218
- 4.11 Fourth Supplemental Indenture dated January 15, 1968 relating to E&H's First Mortgage Bonds, Series E, 6 3/4% due January 15, 1998 and all additional series unless supplemented. Exhibit 4.6 to Registration Statement 2-49218
- 4.12 Fifth Supplemental Indenture dated November 15, 1971 relating to E&H's First Mortgage Bonds, Series F, 8.70% due November 15, 2001 and all additional series unless supplemented. Exhibit 4.7 to Registration Statement 2-49218
- 4.13 Sixth Supplemental Indenture dated April 1, 1974 relating to E&H's First Mortgage Bonds, Series G, 8 7/8% due April 1, 2004 and all additional series unless supplemented. **
- 4.14 Seventh Supplemental Indenture dated December 15, 1977

	relating to E&H's First Mortgage Bonds, Series H, 8.50% due December 15, 200 and all additional series unless supplemented.	Exhibit 4 to Form 10-K for 1977 (File No. 0-7751)
4.15	Eighth Supplemental Indenture dated October 29, 1987 relating to E&H's First Mortgage Bonds, Series I, 9.85% due October 15, 1997 and all additional series unless supplemented.	Exhibit 4.15 to Form 10-K for 1987
4.16	Ninth Supplemental Indenture dated August 29, 1991 relating to E&H's First Mortgage Bonds, Series J, 9.43% due September 1, 2003 and all additional series unless supplemented.	Exhibit 4.18 to Form 10-K for 1991
4.17	Tenth Supplemental Indenture dated October 14, 1994 relating to E&H's First Mortgage Bonds, Series K 8.49% due October 14, 2024 and all additional series unless supplemented.	Filed herewith
4.18	Bond Purchase Agreement dated August 29, 1991 relating to E&H's First Mortgage Bonds, Series J Form 9.43% due September 1, 2003	Exhibit 4.19 to Form 10-K for 1991
4.19	Purchase Agreement dated March 20, 1992 for the 8.55% Senior Notes due March 31, 2004	Exhibit 4.18 to Form 10-K for 1993
4.20	Note Agreement dated November 30, 1993 for the 6.75% Notes due November 30, 2023	Exhibit 4.18 to Form 10-K for 1993
4.21	First Mortgage Loan Agreement dated October 24, 1988 with an Institutional Investor in connection with UNITIL Realty Corp.'s acquisition of the Company's facilities in Exeter, New Hampshire.	Exhibit 4.16 to Form 10-K for 1988
10.1	Labor Agreement effective June 1, 1994 between CECO and The International Brotherhood of Electrical Workers, Local Union No. 1837	Filed herewith
10.2	Labor Agreement effective May 31, 1992 between E&H and The International Brotherhood of Electrical Workers, Local Union No. 1837, Unit 1.	Exhibit 10.2 to Form 10-K for 1992
10.3	Labor Agreement effective May 1, 1994 between FG&E and The Brotherhood of Utility Workers of New England, Inc., Local Union No. 340.	Filed herewith
10.4	UNITIL System Agreement dated June 19, 1986 providing that UNITIL Power will supply wholesale requirements electric service to CECO and E&H	Exhibit 10.9 to Form 10-K for 1986
10.5	Supplement No. 1 to UNITIL System Agreement providing that UNITIL Power will supply wholesale requirements electric service to CECO and E&H.	Exhibit 10.8 to Form 10-K for 1987

10.6	Transmission Agreement Between UNITIL Power Corp. and Public Service Company of New Hampshire, Effective November 11, 1992.	Exhibit 10.6 to Form 10-K for 1993
10.7	Form of Severance Agreement dated February 21, 1989, between the Company and the persons named in the schedule attached thereto.	Exhibit 10.55 to Form 8 dated April 12, 1989
10.8	Key Employee Stock Option Plan effective as of January 17, 1989.	Exhibit 10.56 to Form 8 dated April 12, 1989
10.9	UNITIL Corporation Key Employee Stock Option Plan Award Agreement.	Exhibit 10.63 to Form 10-K for 1989
10.10	UNITIL Corporation Management Performance Compensation Program.	Exhibit 10.94 to Form 10-K/A for 1993
10.11	UNITIL Corporation Supplemental Executive Retirement Plan effective as of January 1, 1987.	Exhibit 10.95 to Form 10-K/A for 1993
11.1	Statement Re Computation in Support of Earnings Per Share for the Company	Filed herewith
12.1	Statement Re Computation in Support of Ratio of Earnings to Fixed Charges for the Company.	Filed herewith
13.1	Portions of 1994 Annual Report to Shareholders which have been incorporated by reference in Part II, Items 5 through 8 and Part IV, Items 14 a(1) and 14 a(2).	Filed herewith
22.1	Statement Re Subsidiaries of Registrant.	Filed herewith
99.1	1995 Proxy Statement	Filed herewith

* The exhibits referred to in this column by specific designations and dates have heretofore been filed with the Securities and Exchange Commission under such designations and are hereby incorporated by reference.

** Copies of these debt instruments will be furnished to the Securities and Exchange Commission upon request.

(b) Report on Form 10-K
No reports on Form 8-K were filed during the fourth quarter of the year ended December 31, 1994.

(d) Financial Statement Schedules
The response to this portion of Item 14 is submitted as a separate section of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL Corporation

Date March 23, 1995

By Peter J. Stulgis
Peter J. Stulgis
Chairman of the Board of
Directors, and Chief
Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
Peter J. Stulgis Peter J. Stulgis (Chairman of the Board of Directors and Chief Executive Officer)	Principal Executive Officer; Director	March 23, 1995
Michael J. Dalton Michael J. Dalton (President and Chief Operating Officer)	Principal Operating Officer; Director	March 23, 1995
Gail A. Siart Gail A. Siart (Treasurer and Chief Financial Officer)	Principal Financial Officer	March 23, 1995
Charles H. Tenney II Charles H. Tenney II	Director	March 23, 1995
Douglas K. MacDonald Douglas K. Macdonald	Director	March 23, 1995
J. Parker Rice, Jr. J. Parker Rice, Jr.	Director	March 23, 1995
Charles H. Tenney III Charles H. Tenney III	Director	March 23, 1995
W. William Vanderwolk, Jr. W. William VanderWolk, Jr.	Director	March 23, 1995
J. D. Wheeler J. D. Wheeler	Director	March 23, 1995
Franklin Wyman, Jr. Franklin Wyman, Jr.	Director	March 23, 1995

ITEM 14(a)(1) AND (2) AND ITEM 14(d)

LIST OF FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

FINANCIAL STATEMENT SCHEDULES

YEAR ENDED DECEMBER 31, 1994

WITH REPORT OF INDEPENDENT CERTIFIED

PUBLIC ACCOUNTANTS

Prepared for filing as part of
Annual Report (Form 10-K)
to the Securities and Exchange Commission

FORM 10-K --- ITEM 14(a)(1) and (2)

LIST OF FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statements of the Company and subsidiaries included in the Exhibit 13.1 for the year ended December 31, 1994 are incorporated by reference in Item 8:

Consolidated Balance Sheets - December 31, 1994 and 1993

Consolidated Statements of Earnings - for the years ended December 31, 1994, 1993 and 1992

Consolidated Statements of Capitalization - December 31, 1994 and 1993

Consolidated Statements of Cash Flows
for the years ended December 31, 1994, 1993 and 1992

Consolidated Statements of Changes in Common Stock Equity -
for the years ended December 31, 1994, 1993 and 1992

Notes to Consolidated Financial Statements

Report of Independent Certified Public Accountants

The following consolidated financial statement schedules of the Company and subsidiaries are included in Item 14(d):

Page No.

Report of Independent Certified Public Accountants 26

For the three years ended December 31, 1994;

Schedule VIII Valuation and Qualifying Accounts 27

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions, are inappropriate, or information required is included in the financial statements or notes thereto and, therefore, have been omitted.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders of
UNITIL Corporation

In connection with our audit of the consolidated financial statements of UNITIL Corporation and subsidiaries referred to in our report dated February 10, 1995, which is included in the 1994 Annual

Report to Shareholders, which is incorporated by reference in Parts II and IV of this Annual Report on Form 10-K for the year ended December 31, 1994, we have also audited the schedule listed in the Index at Part IV Item 14(a)(2). In our opinion, this schedule presents fairly, in all material respects, the information required to be set forth therein.

GRANT THORNTON LLP

Boston, Massachusetts
February 10, 1995

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our reports dated February 10, 1995, accompanying the consolidated financial statements and schedules incorporated by reference or included in the Annual Report of UNITIL Corporation and subsidiaries on Form 10-K for the year ended December 31, 1994. We hereby consent to the incorporation by reference of said reports in the Registration Statements of UNITIL Corporation and subsidiaries on Form S-3 and on Form S-8.

GRANT THORNTON LLP

Boston, Massachusetts
March 30, 1995

SCHEDULE VIII.

UNITIL CORPORATION VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

Column A	Column B	Column C		Column D	Column E
	Balance at Beg. Beginning	Additions Charged to Cost and Expense	Charged to Other Accounts(A)	Deductions from Reserves(B)	Balance at End of Period
Year Ended December 31, 1994					
Reserves Deducted from A/R					
Electric	510,853	552,905	193,202	752,170	504,790
Gas	70,402	157,098	58,714	217,155	69,059
	581,255	710,003	251,916	969,325	573,849
Year Ended December 31, 1993					
Reserves Deducted from A/R					
Electric	461,048	654,959	154,355	759,509	510,853
Gas	95,008	152,720	54,733	232,059	70,402
	556,056	807,679	209,088	991,568	581,255
Year Ended December 31, 1992					
Reserves Deducted from A/R					
Electric	394,474	656,762	170,494	760,682	461,048
Gas	135,222	140,189	60,656	241,059	95,008
	529,696	796,951	231,150	1,001,741	556,056

(A) Collections on Accounts Previously Charged Off

(B) Bad Debts Charged Off

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Common Stock Data

Dividends Paid Per Common Share

	1994	1993
1st Quarter	\$0.31	\$0.28
2nd Quarter	0.31	0.29
3rd Quarter	0.31	0.29
4th Quarter	0.31	0.29
The Year	\$1.24	\$1.15

Price Range of Common Stock

	1993		1994	
	High/Ask	Low/Bid	High/Ask	Low/Bid
1st Quarter	19 5/8	18 7/8	19 7/8	17 3/8
2nd Quarter	19 1/2	16 3/4	20	17 5/8
3rd Quarter	19	15 7/8	21 3/8	18 5/8
4th Quarter	18 1/4	16	21 5/8	18 5/8

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA

	1994	1993	1992	1991	1990
Consolidated Statements of Earnings (000's)					
Operating Income	\$13,774	\$14,073	\$13,342	\$12,360	\$14,337
Non-operating Income (Expense)	62	50	22	(357)	171
Gross Income	13,836	14,123	13,364	12,003	14,508
Income Deductions	5,798	6,523	6,948	8,067	7,979
Unsolicited Tender Offer and Merger Expenses (Net of Taxes)	----	----	(155)	1,571	1,011
Net Income Before Cumulative Effect of Accounting Change	8,038	7,600	6,571	2,365	5,518
Cumulative Effect of Accounting Change	----	----	----	----	----
Net Income	8,038	7,600	6,571	2,365	5,518
Dividends on Preferred Stock	291	298	352	315	325
Net Income Applicable to Common Stock	7,747	7,302	6,219	2,050	5,193
Balance Sheet Data (000'S)					
Utility Plant (original cost)	\$178,777	\$171,540	\$165,880	\$160,575	\$153,929
Total Assets	204,521	201,509	172,348	170,390	171,555
Capitalization and Short-term Debt:					
Common Stock Equity	59,997	56,234	52,608	49,887	51,664
Preferred Stock	4,094	4,198	4,277	4,412	4,558
Long-term Debt	65,580	57,378	62,041	60,442	53,044
Short-term Notes Payable	----	8,400	4,780	9,550	11,783
Total Capitalization	129,671	126,210	123,706	124,291	121,049
Capitalization Ratios:					
Common Stock Equity	46%	45%	43%	40%	43%
Preferred Stock	3%	3%	3%	4%	4%
Long-term & Short-term Debt	51%	52%	54%	56%	53%

Common Stock Data

(000'S)

Shares of Common Stock (year-end)	4,268	4,205	4,152	4,119	4,111
Shares of Common Stock (Average)	4,234	4,181	4,133	4,115	4,107

Per Share Data

Earnings Per Average Share	\$1.83	\$1.75	\$1.50	\$0.50	\$1.26
Dividends Paid Per Share	\$1.24	\$1.15	\$1.10	\$1.04	\$1.02
Book Value Per Share	\$14.06	\$13.37	\$12.67	\$12.11	\$12.57

Electric and Gas Statistics

Sales-Millions of KWH	1,358	1,303	1,261	1,230	1,237
Meters Served - Year End	86,782	85,383	85,131	84,222	83,731
Sales-Thousands of Firm Therms	23,057	22,763	23,281	20,394	21,215
Meters Served - Year End	15,012	15,340	15,514	15,713	15,775

Note: The above data have been combined and restated to reflect the merger of FG&E into the UNITIL System and the two-for-one stock split that occurred in 1992.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview of Earnings and Dividends

UNITIL's earnings were \$1.83 per average common share outstanding for the year ending December 31, 1994, compared to 1993's record earnings per share of \$1.75, and 1992's earnings of \$1.50 per share. This 1994 earnings performance resulted in an average return on common equity of 13.3%.

The increased earnings for 1994 and 1993 were primarily the result of sustained energy sales growth over this two-year period; reduced interest cost achieved through a series of long-term debt refinancings; ongoing success in managing the System's operating costs; and expanding sources of revenue and earnings from UNITIL Resources, the Company's energy consulting subsidiary. These positive earnings effects were offset by a voluntary base rate reduction, fully implemented by the Company's Massachusetts retail operating subsidiary in 1994, and to a lesser extent, the absence of both a revenue adjustment and a property tax adjustment which occurred in 1993.

All three of the UNITIL System's retail distribution subsidiaries experienced strong energy sales growth in 1994, as compared to 1993, with total kilowatt-hour sales and kilowatt billing demands up 4.3% and 3.3%. Firm gas therm sales were up 1.3%. This increase in energy sales mainly reflects the continuing improvement of the local and regional economies throughout the year and the favorable impact this improvement has on sales to commercial and industrial customers. The overall impact of the weather on sales growth for the year as a whole was minimal, as warmer-than-normal weather in the fourth quarter of 1994 largely offset weather-related sales gains from earlier in the year.

In 1993, as compared to 1992, the System's total kilowatt-hour sales and kilowatt billing demands were up 3.3% and 3.9%, respectively. The Company's current outlook for 1995 calls for continuation of this positive trend in energy sales growth.

In 1994, the System's utility operating and maintenance costs (excluding fuel and purchased power, which are normally recovered from customers through periodic rate adjustment mechanisms) rose modestly compared to the prior year, despite upward pressure on these costs during this period of relatively high sales growth. In 1993 and 1992, the System's utility operating and maintenance costs were actually reduced to levels lower than the prior years' expenses. Interest-related expenses decreased approximately 11% and 6% in 1994 and 1993, respectively, largely as a result of a series of long-term debt refinancings.

At its January 1995 meeting, the UNITIL Board of Directors increased the quarterly dividend by 3.2% to \$0.32 per share, resulting in the current effective annualized dividend of \$1.28 per share. This most recent increase followed a 6.9% increase in the common dividend in January 1994. This current effective annual dividend rate of \$1.28 represents a payout of approximately 69% on 1994's earnings.

Operating Revenues

Electric Operating Revenue increased by approximately \$1.3 million in 1994, or 1%, as compared to 1993. This increase reflects an increase of

approximately \$0.3 million in fuel, purchased power and demand-side management and conservation program costs (which, as they are incurred, are billed to customers through periodic rate adjustment mechanisms) and a \$1.0 million, or 2.2%, increase in electric base revenue. Electric base revenue is that portion of Electric Operating Revenue which has a direct impact on net income.

The 2.2% increase in electric base revenue was primarily due to continued strong growth in the System's total kilowatt-hour sales and kilowatt billing demands, which increased in 1994 by 4.3% and 3.3%, respectively, compared to 1993. Partially offsetting this comparative year-over-year increase in electric base revenue was the full-year impact of a voluntary base rate reduction which was implemented by the Company's Massachusetts retail operating subsidiary in December, 1993. (See also "Financing Activities.") Further offsetting the increase in 1994 was the absence of a revenue adjustment made in 1993 to record base revenue from energy sales made in a prior period.

All three of the Company's retail operating companies contributed to the relatively strong sales performance in 1994. System-wide kilowatt-hour sales to commercial and industrial customers increased by 5.4%, and residential sales grew by 2.4% in 1994, compared to the prior year. This increase in energy sales mainly reflects the impact of a strengthening regional and local economy on overall energy usage and customer growth.

While some extreme seasonal weather conditions played a positive role on energy used for heating and cooling during the first and third quarters of 1994, an extended period of unseasonably warm weather in the fourth quarter largely offset most of the weather-related energy sales pickup earlier in the year.

In 1993, total system electric revenue increased by approximately \$5.1 million, or 4%, with the base revenue portion of total electric revenue increasing by approximately 3.5%. This increase in electric base revenue in 1993, compared to 1992, reflected growth in total electric kilowatt-hour sales and kilowatt billing demands of 3.3% and 3.9%, respectively. Kilowatt hour sales to commercial and industrial customers grew by 4.6%, while residential sales grew a more moderate 1.3% in 1993. The increase in base revenue also reflected a revenue adjustment made in 1993 to record base revenue from energy sales made in a prior period. In addition, during 1993, the retail operating subsidiaries began to recover "lost base revenue" and "shared savings" associated with the energy savings achieved through the implementation of demand-side management and conservation programs.

Gas Operating Revenue was approximately \$18.7 million in 1994, or about 12% of the System's total operating revenue. Total gas operating revenue increased by about \$0.2 million, or 1.1%, in 1994, as compared to 1993. Total gas operating revenue is comprised of three components: cost of gas adjustment revenue, interruptible revenue and gas base revenue. Cost of gas adjustment revenue reflects gas supply costs which are recovered directly from customers through a periodic rate adjustment mechanism. Margins earned on interruptible gas sales are used to lower rates directly to firm customers through cost of gas adjustment, and do not directly impact the Company's net income. Gas base revenue is that portion of operating revenue which has a direct impact on net income.

In 1994, Cost of Gas Adjustment revenue decreased by 1.3% as a result of a decrease in the unit cost of gas during the period. Interruptible revenue increased by about \$324,000, an increase of more than 29%, reflecting the significantly improved competitive pricing of gas as a fuel of choice for dual-fuel interruptible customers in 1994, as compared to 1993. Gas base revenue increased approximately \$22,000 or 0.3%, in 1994, based on an overall increase of 1.3% in firm therm sales, offset by the full-year impact of a voluntary base rate reduction which was implemented by the Company's Massachusetts retail operating subsidiary in December 1993 (See also "Financing Activities" below).

In 1994, compared to 1993, firm gas therm sales to commercial and industrial customers increased 3.7%, reflecting continued growth in the local and regional economies. Firm therm sales to residential customers, (the most weather sensitive customer class) remained relatively flat, largely due to the offsetting impact that the unseasonable warm fourth quarter of 1994 had on the contrasting colder-than-normal heating season in the first quarter of the year.

Total gas operating revenue decreased by \$0.8 million, or 4%, in 1993, as compared to 1992. In 1993, gas base revenue decreased by approximately \$170,000, or 2.4%, as a result of a decrease of 2.2% in therm sales to firm customers. This decrease followed a substantial increase of 14% in firm gas sales in 1992 over 1991, and was primarily due to a decrease of 3.6% in sales to residential customers as a result of a warmer-than-normal heating season in 1993. Interruptible revenue decreased approximately 37% in 1993.

Other Revenue of \$624,560 in 1994 and \$368,009 in 1993 was principally derived from UNITIL Resources, the Company's energy consulting subsidiary, which began providing consulting services to nonaffiliated clients in mid-1993. These consulting services have chiefly

related to providing administrative, management and power brokering services to client companies.

Fuel and Purchased Power

Fuel and Purchased Power expenses represent wholesale capacity and energy purchased to meet the UNITIL System's electric energy requirements. Fuel and purchased power costs are normally recoverable from customers through periodic rate adjustment mechanisms. Fuel and purchased power expenses were relatively flat in 1994, reflecting favorable pricing of existing long-term power supply commitments and competitive short-term power supply markets. In 1993, fuel and purchased power expenses increased by 6.4%, due to the addition of new long-term power supply resources, contract entitlement changes and the overall growth in system energy requirements.

The combined resource portfolio of the UNITIL System was comprised of a variety of generation sources, including owned generation, utility purchased power contracts and purchases from non-utility generators. The UNITIL System's total power supply resources for 1994 were comprised of: 17% from subsidiary-owned generation; 54% from various utility-purchased power contracts; 29% representing purchases from non-utility generation units.

Gas Purchased for Resale

Gas Purchased for Resale increased by approximately \$44,000, or 0.4%, in 1994, as compared to 1993, mainly reflecting an increase of 7.2% in therms purchased (including gas purchased for interruptible sales), offset by a lower unit cost of gas. Gas Purchased for Resale decreased by almost \$0.7 million, or 5.5%, in 1993 as compared to 1992, based on a decrease of 7.2% in therms purchased. Gas purchased for resale is normally recoverable from customers through the cost of gas adjustment mechanism.

Operating and Maintenance

In 1994, Operating and Maintenance increased by almost \$0.9 million, or 3.0%. One-third of this increase in Operating and Maintenance expense was due to a 20% rise in expenditures on demand-side management and conservation programs during 1994, as compared to 1993. Expenditures on demand-side management and conservation programs are normally recoverable from customers through periodic rate adjustment mechanisms.

The remaining increase in 1994's Operating and Maintenance expense reflects modest overall growth of \$0.5 million, or 2.7%, in the System's operating costs. The majority of the increase in operating expense was due to extensive gas distribution system-related maintenance and repairs conducted in 1994, as well as higher administrative and general expenses.

Comparing 1993 to 1992, Operating and Maintenance expense decreased by \$1.5 million, or 4.9%. The majority of this decrease was due to a reduction of over 20% in wholesale transmission costs. This cost reduction was achieved through a negotiated settlement with one of UNITIL Power's wholesale transmission suppliers, resulting in refunds and significantly lower charges for firm transmission services. Furthermore, the utility operating and maintenance expenses of UNITIL's three retail distribution subsidiaries decreased slightly to levels below the previous year's expenses, reflecting the capturing of system-wide operating efficiencies and the combined effect of overall cost reductions in a number of expense categories. In both 1993 and 1992, UNITIL's three retail distribution subsidiaries reduced operating and maintenance expenses to levels lower than in the prior year.

Depreciation, Amortization, Taxes and Interest Charges

Depreciation Expense increased approximately 3% in 1994 and 4% in 1993, compared to the prior periods, principally reflecting normal planned increases in plant and equipment.

Amortization of the Cost of Abandoned Properties principally relates to FG&E's abandonment of its investment in the Seabrook Nuclear Power Plant. This abandonment is being amortized over a thirty-year period which commenced in 1987, and coincides with revenue recovery that was allowed by the Massachusetts Department of Public Utilities (MDPU). (See Note 2 to the Consolidated Financial Statements.)

Federal and State Income Taxes increased by approximately \$450,000, or 12.2%, in 1994. Federal Income Taxes increased about \$224,000, mainly reflecting greater Net Income Before Taxes of approximately \$0.9 million. Total State Income Taxes increased by approximately \$226,000.

Federal Income Taxes increased approximately \$400,000 in 1993, as compared to 1992, reflecting greater Net Income Before Taxes.

Local Property Taxes increased \$338,600 or 14.4% in 1994. This increase mainly reflects the absence of an adjustment related to property taxes made in 1993 for one of the Company's subsidiaries' jointly owned

generating units, as well as annual property tax increases set by local communities. Local Property taxes decreased in 1993, compared to 1992, mainly because of the aforementioned adjustment to property taxes on one of the Company's joint-owned electric generating units.

Other Taxes increased about \$226,000 in 1994, largely due to the full-year impact of the reinstatement in mid-1993 of the New Hampshire Franchise Tax for UNITIL's New Hampshire retail operating subsidiaries.

Interest and Debt Expense decreased approximately \$725,000, or 11.1%, in 1994, due mainly to the full-year impact of a \$19 million long-term debt refinancing completed in November 1993 by the Company's Massachusetts subsidiary (See Financing Activities), as well as annual sinking fund payments which reduced the principal amounts outstanding of long-term debt during the year. Partially offsetting reduced long-term debt related interest costs were rising short-term borrowing rates and increased average short-term borrowing levels during 1994, compared to 1993.

Interest and Debt Expense decreased approximately 6% in 1993, compared to 1992, due primarily to the refinancing of long-term debt at lower interest rates in 1992 and again in the fourth quarter of 1993. Also contributing to lower interest costs was the general decline in short-term borrowing costs during this period.

Capital Requirements and Liquidity

The UNITIL System companies primarily require capital for the acquisition of property, plant and equipment to improve, protect, maintain and expand their electric and gas operating systems. Capital expenditures were approximately \$9.2 million in 1994, and \$7.9 million in 1993 and 1992. These levels of capital expenditures reflect increasing sales and customer growth in 1994 and 1993 and planned utility system improvements.

In 1995, capital expenditures are expected to increase by about \$5.9 million, compared to the prior year, to a total capital expenditure level of \$15.1 million. This projected increase of \$5.9 million primarily reflects additional capital expenditures of approximately \$3.4 million for the commencement of construction of a new corporate headquarters, as well as an increase in capital expenditures of approximately \$2.5 million for planned utility system expansions, replacements and other improvements. On February 2, 1995, UNITIL received a long-awaited offer letter from the State of New Hampshire for the taking by eminent domain of its corporate headquarters and related land located in Exeter, New Hampshire. The building is to be demolished in connection with the State of New Hampshire's Route 101 highway expansion project. The Company currently estimates that capital expenditures of approximately \$6 million will be required over a two-year period for the completion of the new corporate headquarters by mid-1996.

When internally-generated funds are not available, the Company follows a policy of borrowing on a short-term basis to meet the external capital requirements of its subsidiaries. At the appropriate time, UNITIL and its subsidiaries convert their short-term indebtedness into senior capital. The size and timing of such financings depend on developments in the securities markets, the ability to meet certain financing covenants and the receipt of appropriate regulatory approval. UNITIL attempts to maintain a conservative capital structure, contributing to both the stability of the Company and its ability to market new securities. UNITIL and its subsidiaries have been able to access financial markets to meet their requirements and do not anticipate a change in the availability of capital in the coming year.

UNITIL has committed lines of credit with a number of banks, totaling \$11 million, in addition to an unsecured guidance line of credit for short-term debt on a "when available" basis, aggregating \$3 million. At December 31, 1994, there were no borrowings outstanding under these credit lines.

Financing Activities

On October 14, 1994, Concord Electric Company (CECo) sold \$6,000,000 of 30-year Series I First Mortgage Bonds to an institutional investor at par, bearing an interest rate of 8.49%. Proceeds were used to repay short-term indebtedness, incurred to fund CECo's ongoing construction program, and to redeem two higher coupon long-term debt issues prior to their maturity. The redemptions, which totaled \$2,430,000, included \$930,000 of Series D First Mortgage Bonds, 8.70%; and \$1,500,000 of Series G First Mortgage Bonds, 9.85%.

On October 14, 1994, Exeter & Hampton Electric Company (E&H) sold \$9,000,000 of 30-year Series K First Mortgage Bonds to an institutional investor at par, bearing an interest rate of 8.49%. Proceeds were used to repay short-term indebtedness incurred to fund E&H's ongoing construction program, and to redeem three higher coupon long-term debt issues prior to their maturity. The redemptions, which totaled \$3,565,000, included \$1,235,000 of Series F First Mortgage Bonds, 8.70%; \$930,000 of Series G

First Mortgage Bonds, 8.875%; and \$1,400,000 of Series I First Mortgage Bonds, 9.85%.

On November 30, 1993 FG&E sold \$19,000,000 of long term notes to institutional investors at par, bearing an interest rate of 6.75%. Proceeds were used for the early redemption of three of FG&E's long-term debt issues, aggregating \$9,580,000, which carried average coupon rates in excess of 9.6%, as well as the repayment of FG&E's 10.51% note aggregating \$12,000,000 which matured on December 3, 1993. In conjunction with FG&E's \$19 million long-term note financing, FG&E also made an unprecedented proposal before the MDPU to share a portion of the resulting interest savings with customers by cutting base rates to all gas and electric customers. The MDPU approved the proposal and a base rate reduction of \$327,000 on an annual basis became effective on December 1, 1993.

During 1994, the Company raised \$1,037,809 of additional common equity capital through the issuance of 58,229 shares of common stock in connection with the Dividend Reinvestment and Tax Deferred Savings and Investment plans. In 1993, the Company raised \$880,154 of additional common equity capital through the issuance of 46,291 shares of common stock in connection with these plans.

Regulatory Matters

The last formal regulatory hearings to increase base rates for UNITIL's three retail operating subsidiaries occurred in 1985 for CECO, 1984 for FG&E and 1981 for E&H. A majority of the System's operating revenues are collected under various periodic rate adjustment mechanisms, including fuel, purchased power, cost of gas and conservation program cost recovery mechanism.

Under Order 636, issued by the Federal Energy Regulatory Commission (FERC) in April 1992, a comprehensive set of regulations was established to encourage competition, by requiring gas pipeline suppliers to convert existing "bundled" sales services to "unbundled" transportation services. One aspect of the order allows pipeline suppliers to recover prudently incurred costs resulting from the transition to the new rules. FG&E, the Company's combination gas and electric utility operating subsidiary, has been incurring FERC-approved transition charges from its natural gas pipeline supplier since 1992. Through the end of 1994, the amount of transition costs incurred by FG&E totaled approximately \$1.7 million. These costs have been recovered directly from FG&E's gas customers through the cost of gas adjustment mechanism. Based on estimates included in rate filings before the FERC and other publicly available information, FG&E currently estimates that it may incur up to an additional \$1.7 million of transition costs in future years. FG&E expects full recovery of these costs through billings to customers.

Environmental Issues

For many years, the Company's combination gas and electric operating subsidiary, FG&E, and a former subsidiary of FG&E, operated coal gasification plants in Fitchburg (the Sawyer Passway Site) and Gardner (the Logan Street Site), Massachusetts. During the last several years, FG&E has been working with the Massachusetts Department of Environmental Protection (DEP) and other responsible parties to assess the environmental contamination in the vicinity of these sites as a result of historical gas manufacturing operations. Based on information developed over the last several years, it had been discovered that there was environmental contamination at the Sawyer Passway Site which will require continuing assessment, as well as remedial action in the future. The DEP has classified the Sawyer Passway Site as a confirmed hazardous waste site, which will require compliance under the DEP Massachusetts Contingency Plan (MCP) regulations.

The new MCP regulations were issued by the DEP in June, 1993, and took effect October 1, 1993. Under the regulations, FG&E has five years from the date of a hazardous waste TIER classification permit to complete the remediation effort at the Sawyer Passway Site. The new procedures include site ranking; the use of a State Licensed Site Professional; and compliance with various other new applications, reporting and enforcement procedures. Based on work done with the DEP during 1994 in compliance with the MCP regulations, FG&E received notification of the Sawyer Passway Site TIER classification permit in December 1994. The five year remediation clock will commence in 1995. Also in compliance with the DEP requirements, FG&E will conduct a preliminary site assessment of the Logan Street Site in 1995. This assessment will determine if the site needs to be TIER classified. Because site assessment is at an early stage at both locations, management cannot at this time predict the costs of future analysis and remediation.

The costs of environmental assessment and any remedial action taken in connection with testing, analysis and remediation work at these sites are initially funded internally and then recovered under a rate recovery mechanism approved by the MDPU. This rate recovery mechanism provides for

the deferral of environmental costs and subsequent recovery through future rates over succeeding seven-year periods. FG&E has a number of liability insurance policies that may provide coverage for remediation of former coal gasification sites. Any recovery that FG&E receives from insurance or third parties will be split equally between FG&E and its customers through an appropriate adjustment to the rate recovery mechanism.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31, 1994	1993
Utility Plant (at cost)		
Electric	\$142,311,415	\$136,669,493
Gas	25,652,522	24,195,621
Common	9,783,183	9,666,187
Construction Work in Progress	1,029,681	1,008,681
Utility Plant	178,776,801	171,539,982
Less: Accumulated Depreciation	57,203,799	53,469,346
Net Utility Plant	121,573,002	118,070,636
Miscellaneous Property & Investment (at cost)	137,698	137,833
Current Assets:		
Cash	3,810,123	1,705,786
Accounts Receivable - Less Allowance for Doubtful Accounts of	13,281,686	13,717,872
\$573,849, 581,254		
Materials and Supplies (at average cost)	2,089,979	2,527,464
Prepayments	408,701	488,504
Accrued Revenue and Deferred Fuel Costs	2,292,297	3,646,489
Total Current Assets	21,882,786	22,086,115
Deferred Debits:		
Unamortized Debt Expense (amortized over term of securities)	955,931	720,821
Unamortized Cost of Abandoned Properties (being amortized through 2017) (Note 2)	28,772,838	30,378,478
Prepaid Pension Costs (Note 9)	5,801,714	5,017,121
Other (Note 7)	25,397,492	25,097,751
Total Deferred Debits	60,927,975	61,214,171
TOTAL	204,521,461	201,508,755

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

CAPITALIZATION AND LIABILITIES

	December 31, 1994	1993
Capitalization:		
Common Stock Equity (Note 3)	\$59,997,198	\$56,233,777
Preferred Stock,	225,000	225,000
Non-Redeemable, Non-Cumulative		
Preferred Stock, Redeemable,	3,868,600	3,972,700
Cumulative (Note 4)		
Long-term Debt (Note 5)	65,288,231	55,610,322
Total Capitalization	129,379,029	116,041,799
Capitalized Lease Obligations	3,377,389	3,549,834

(Note 9)

Current Liabilities:		
Long-term Debt Due Within One Year (Note 5)	292,090	1,767,772
Notes Payable (Note 6)	----	8,400,000
Accounts Payable	12,491,041	13,440,286
Dividends Declared	152,210	131,434
Customers' Deposits and Refunds	2,482,779	1,738,454
Taxes Accrued	(345,243)	267,181
Interest Accrued	1,376,477	1,160,753
Capitalized Lease Obligations (Note 9)	460,152	644,673
Accrued and Other Liabilities	2,546,878	1,259,298
Total Current Liabilities	19,456,384	28,809,851
Deferred Credits:		
Unamortized Investment Tax Credit	2,006,168	2,216,844
Other (Note 7)	9,212,872	9,610,631
Total Deferred Credits	11,219,040	11,827,475
Deferred Income Taxes (Note 7)	41,089,619	41,279,796
Commitments and Contingencies (Note 9)		
TOTAL	\$204,521,461	\$201,508,755

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

CONSOLIDATED STATEMENTS OF EARNINGS

	Year Ended December 31,		
	1994	1993	1992
Operating Revenues:			
Electric	\$134,096,627	\$132,754,707	\$127,672,435
Gas	18,694,703	18,486,105	19,261,089
Other	624,560	368,010	----
Total Operating Revenues	153,415,890	151,608,822	146,933,524
Operating Expenses:			
Fuel and Purchased Power	82,655,038	82,758,947	77,760,699
Gas Purchased for Resale	11,139,311	11,094,848	11,745,691
Operation and Maintenance	29,591,318	28,736,676	30,204,744
Depreciation (Note 1)	6,129,617	5,949,072	5,702,379
Amort. of Cost of Abandoned Properties	1,605,640	1,528,873	1,253,718
Provisions for Taxes:			
Local Property and Other	4,384,032	3,779,459	3,307,119
Federal and State Income (Notes 1 and 7)	4,137,430	3,687,538	3,617,371
Total Operating Expenses	139,642,386	137,535,413	133,591,721
Operating Income	13,773,504	14,073,409	13,341,803
Non-operating Income	62,887	50,145	22,162
Gross Income	13,836,391	14,123,554	13,363,965
Income Deductions:			
Interest and Debt Expense	5,798,192	6,523,487	6,948,819
Other	----	----	(155,116)
Total Income Deductions	5,798,192	6,523,487	6,793,703
Net Income	8,038,199	7,600,067	6,570,262
Less Dividends on Preferred Stock	291,543	297,577	351,623
Net Income Applicable to Common Stock	\$7,746,656	\$7,302,490	\$6,218,639
Average Common Shares Outstanding	4,234,062	4,180,534	4,133,370
Earnings Per Average Common Share	\$1.83	\$1.75	\$1.50

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

CONSOLIDATED STATEMENTS OF CAPITALIZATION

	December 31, 1994	1993
Common Stock Equity (Note 3)		
Common Stock, No Par Value (Authorized - 8,000,000 shares; Outstanding - 4,267,837 and 4,205,498 Shares	\$31,751,984	\$30,643,009
Paid in Capital - Stock Options (Note 9)	1,062,198	910,892
Retained Earnings	27,183,016	24,679,876
Total Common Stock Equity	59,997,198	56,233,777
Preferred Stock (Note 4)		
CECo Preferred Stock, Non-Redeemable, Non-Cumulative: 6% Series, \$100 Par Value	225,000	225,000
CECo Preferred Stock, Redeemable, Cumulative: 8.70% Series, \$100 Par Value	230,000	230,000
E&H Preferred Stock, Redeemable, Cumulative:		
5% Series, \$100 Par Value	105,000	105,000
6% Series, \$100 Par Value	175,000	175,000
8.75% Series, \$100 Par Value	344,300	344,300
8.25% Series, \$100 Par Value	436,000	436,000
FG&E Preferred Stock, Redeemable, Cumulative:		
5.125% Series, \$100 Par Value	1,108,100	1,150,100
8% Series, \$100 Par Value	1,470,200	1,532,300
Total Preferred Stock	4,093,600	4,197,700
Long-Term Debt (Note 5)		
Ceco First Mortgage Bonds:		
Series C, 6.75%, due January 15, 1998	1,584,000	1,584,000
Series D, 8.70%, due November 15, 2001	----	930,000
Series G, 9.85%, due October 15, 1997	----	1,500,000
Series H, 9.43%, due September 1, 2003	6,500,000	6,500,000
Series I, 8.49%, due October 14, 2024	6,000,000	----
E&H First Mortgage Bonds:		
Series D, 4.75%, due June 1, 1994	----	547,500
Series E, 6.75%, due January 15, 1998	518,000	525,000
Series F, 8.70%, due November 15, 2001	----	1,235,000
Series G, 8.875%, due April 1, 2004	----	940,000
Series H, 8.50%, due December 15, 2002	1,015,000	1,120,000
Series I, 9.85%, due October 15, 1997	----	1,400,000
Series J, 9.43%, due September 1, 2003	5,000,000	5,000,000
Series K, 8.49%, due October 14, 2024	9,000,000	----
FG&E Long-term Notes:		
Twelve year Notes, 8.55%, due March 31, 2004	15,000,000	15,000,000
Thirty year Notes, 6.75%, due November 30, 2023	19,000,000	19,000,000
UNITIL Realty Promissory Note:		
10.59%, due October 25, 1998	1,963,321	2,096,594
Total	65,580,321	57,378,094
Less: Installments due within one year	292,090	1,767,772
Total Long-term Debt	65,288,231	55,610,322
Total Capitalization	\$129,379,029	\$116,041,799

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 1994	1993	1992
Net Cash Flow from Operating Activities:			
Net Income	\$8,038,199	\$7,600,067	\$6,570,262
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities:			

Depreciation and Amortization	7,735,257	7,477,945	6,956,097
Deferred Taxes	257,630	(333,569)	638,889
Amortization of Investment Tax Credit	(210,676)	(216,698)	(209,884)
Amortization of Deferred Debits	63,882	118,602	142,619
Provision for Doubtful Accounts	717,735	837,589	804,427
Change in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	(281,549)	(301,328)	(1,731,011)
Materials and Supplies	437,485	96,069	(743,107)
Prepayments	79,803	(84,577)	405,248
Prepaid Pension	(784,593)	(482,804)	(549,915)
Accrued Revenue	1,354,192	(174,327)	2,278,546
Increase (Decrease) in:			
Accounts Payable	(949,245)	1,501,166	(792,853)
Customers' Deposits and Refunds	744,325	(160,621)	140,649
Taxes Accrued	(612,424)	(563,869)	831,050
Interest Accrued	215,724	(228,117)	(442,740)
Other	(456,528)	(2,096,725)	1,396,455
Net Cash Provided by Operating Activities	16,349,217	12,988,803	15,694,732
Cash Flows From Investing Activities:			
Acquisition of Property, Plant & Equipment	(9,180,734)	(7,920,044)	(7,932,513)
Cash Flows from Financing Activities:			
Proceeds from (Repayment of) Short-term Debt	(8,400,000)	3,620,000	(4,770,000)
Proceeds From Issuance of Long-term Debt	15,000,000	19,000,000	15,000,000
Repayment of Long-term Debt	(6,797,773)	(23,662,436)	(13,401,684)
Payments of Dividends	(5,514,283)	(5,076,146)	(4,800,240)
Issuance of Common Stock	1,108,976	1,016,590	1,044,120
Retirement of Preferred Stock	(104,100)	(78,800)	(135,700)
Capitalized Lease Obligations	(356,966)	(402,067)	(258,827)
Net Cash Used in Financing Activities	(5,064,146)	(5,582,859)	(7,322,331)
Net Increase (Decrease) in Cash	2,104,337	(514,100)	439,888
Cash at Beginning of Year	1,705,786	2,219,886	1,779,998
Cash at End of Year	\$3,810,123	\$1,705,786	\$2,219,886
Supplemental Disclosure of Cash Flow Information:			
Cash Paid During the Year for:			
Interest	\$5,518,586	\$6,633,002	\$7,248,940
Federal Income Taxes	\$4,141,527	\$3,930,700	\$1,620,000
Significant Non-Cash Transactions:			
11% Stock Dividend	----	----	\$3,235,346

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

CONSOLIDATED STATEMENTS OF CHANGES IN COMMON STOCK EQUITY

	Common Shares	Deferred Stock Option Plan	Retained Earnings	Total
Balance at January 1, 1992	\$25,568,552	\$596,082	\$23,722,850	\$49,887,484
Net income for 1992			6,570,262	6,570,262

Dividends on preferred shares			(351,622)	(351,622)
Dividends on common shares - at an annual rate of \$1.10 per share			(4,525,663)	(4,525,663)
Stock Option Plan		159,309		159,309
Exercised stock options - 12,000 shares	372,825	(122,774)		250,051
Issuance of 79,091 common shares - 11% stock dividend and cash in lieu of	3,054,831	168,057	(3,235,346)	(12,458)
Issuance of 21,177 common shares (a)	630,211			630,211
Balance at December 31, 1992	29,626,419	800,674	22,180,481	52,607,574
Net income for 1993			7,600,067	7,600,067
Dividends on preferred shares			(297,577)	(297,577)
Dividends on common shares - at an annual rate of \$1.15 per share			(4,803,095)	(4,803,095)
Stock Option Plan		177,425		177,425
Exercised stock options - 6,966 shares	136,436	(67,207)		69,229
Issuance of 46,291 common shares (a)	880,154			880,154
Balance at December 31, 1993	30,643,009	910,892	24,679,876	56,233,777
Net income for 1994			8,038,199	8,038,199
Dividends on preferred shares			(291,543)	(291,543)
Dividends on common shares - at an annual rate of \$1.24 per share			(5,243,516)	(5,243,516)
Stock Option Plan		180,475		180,475
Exercised stock options - 4,110 shares	71,166	(29,169)		41,997
Issuance of 58,229 common shares (a)	1,037,809			1,037,809
Balance at December 31, 1994	\$31,751,984	\$1,062,198	\$27,183,016	\$59,997,198

(a) Shares sold and issued in connection with the Company's Dividend Reinvestment and Stock Purchase Plan and Tax Deferred Savings and Investment Plans.

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

Note 1: Summary of Significant Accounting Policies

Principles of Consolidation _ UNITIL Corporation (the Company) is the parent company of the UNITIL System (the System). The consolidated financial statements include the accounts of the Company and all of its wholly-owned subsidiaries. All material inter-company balances and transactions have been eliminated in consolidation.

General _ The Company is registered with the Securities and Exchange Commission (SEC) as a holding company under the Public Utility Holding Company Act of 1935 (1935 Act), and it and its subsidiaries are subject to the provisions of the 1935 Act. In addition, the Company and several of its wholly-owned subsidiaries _ Concord Electric Company (CECo), Exeter & Hampton Electric Company (E&H), FG&E and UNITIL Power Corp. (UNITIL Power) _ are subject to regulation by various other agencies. With respect to their rates and accounting, two of the retail subsidiaries _ namely, CECo and E&H _ are subject to regulation by the New Hampshire Public Utilities Commission (NHPUC), FG&E is subject to regulation by the Massachusetts Department of Public Utilities (MDPU) and UNITIL Power is regulated by the Federal Energy Regulatory Commission (FERC). CECo, E&H, FG&E and UNITIL Power conform with generally accepted accounting principles, as applied in the case of regulated public utilities, and conform with the accounting requirements and ratemaking practices of the regulatory authority having jurisdiction.

Stock Split _ On December 11, 1992, the Company effected a two-for-one common stock split. Accordingly, per-share amounts have been restated where applicable.

Federal Income Taxes _ The general policy of the Company and its subsidiaries with respect to accounting for federal income taxes is to reflect in income the estimated amount of taxes currently payable and to provide for deferred taxes on certain items subject to timing differences to the extent permitted by the regulatory authorities. (See Note 7 of Notes to Consolidated Financial Statements for details of major deferred tax items.)

The Tax Reduction Act of 1986 (TRA) eliminated investment tax credits (ITC). ITC generated prior to 1986 is being amortized over the productive lives of the related assets.

In February 1992, the Financial Accounting Standards Board issued Statement No. 109, "Accounting for Income Taxes." This statement requires the use of the asset/liability method of accounting for deferred income taxes and was implemented in 1993.

Revenue Recognition _ The Company's operating subsidiaries record electric and gas operating revenues based upon the amount of electricity and gas delivered to customers through the end of the accounting period.

Depreciation _ Annual provisions for the Company's utility operating subsidiaries are determined on a group straight-line basis. Provisions for depreciation were equivalent to the following composite rates, based on the average depreciable property balances at the beginning and end of each year: 1994 - 3.49 percent; 1993 - 3.53 percent; and 1992 - 3.50 percent.

Note 2: Deferred Debits

Unamortized Cost of Abandoned Properties _ FG&E is recovering a portion of its former investment in the Seabrook Nuclear Power Plant through a Seabrook Amortization Surcharge, which is designed to increase FG&E's base electric revenues over the amortization period of the abandoned property, approximately 30 years from its commencement in 1987. The unamortized cost of abandoned properties is being amortized at varying rates as ordered by the MDPU. The amount to be amortized for each of the next five years is approximately \$1,500,000.

Note 3: Restrictions on Retained Earnings

UNITIL Corporation has no restriction on the payment of Common Dividends from Retained Earnings. Its three retail distribution subsidiaries do have restrictions as follows:

Under the terms of the Indenture of Mortgage and Deed of Trust and the supplemental indentures thereto, relating to CECO's First Mortgage Bonds, \$4,862,316, \$4,397,944, and \$3,901,957 of retained earnings were available for the payment of cash dividends on CECO's Common Stock at December 31, 1994, 1993 and 1992, respectively.

Under the terms of the Indenture of Mortgage and Deed of Trust and the supplemental indentures thereto, relating to E&H's First Mortgage Bonds, \$7,675,311, \$7,203,736, and \$6,763,341 of retained earnings were available for the payment of cash dividends on E&H's Common Stock at December 31, 1994, 1993 and 1992, respectively.

Under the terms of the purchase agreements relating to FG&E's Long-Term Notes, \$10,130,515, \$9,579,540, and \$4,390,407 of retained earnings were available for the payment of cash dividends on FG&E's Common Stock at December 31, 1994, 1993 and 1992, respectively.

Note 4: Preferred Stock

Certain of the UNITIL subsidiaries have redeemable Cumulative Preferred Stock outstanding and one subsidiary, CECO, has a Non-Redeemable, Non-Cumulative Preferred Stock issue outstanding. All such subsidiaries are required to offer to redeem annually a given number of shares of each series of Redeemable Cumulative Preferred Stock and to purchase such shares that shall have been tendered by holders of the respective stock. All such subsidiaries may redeem, at their option, the Redeemable Cumulative Preferred Stock at a given redemption price, plus accrued dividends.

The aggregate purchases of Redeemable Cumulative Preferred Stock during 1994, 1993 and 1992 were: 1994 - \$104,100; 1993 - \$78,800; and 1992 - \$135,700. The aggregate amount of sinking fund requirements of the redeemable Cumulative Preferred Stock for each of the five years following 1994 are \$206,000 per year.

Note 5: Long-Term Debt

On October 14, 1994, CECO arranged for the private placement, at par, of \$6,000,000 of 30-year Series I First Mortgage Bonds, bearing a fixed annual interest rate of 8.49% and maturing in 2024. The proceeds of this

financing were utilized to repay short-term indebtedness and to redeem two higher coupon long-term debt issues prior to their maturity. The redemptions included \$930,000 of Series D First Mortgage Bonds, 8.70%, due November 15, 2001, and \$1,500,000 of Series G First Mortgage Bonds, 9.85%, due October 15, 1997.

On October 14, 1994, E&H arranged for the private placement, at par, of \$9,000,000 of 30-year Series K First Mortgage Bonds, bearing a fixed annual interest rate of 8.49% and maturing in 2024. The proceeds of this financing were utilized to repay short-term indebtedness and to redeem three higher coupon long-term debt issues prior to their maturity. The redemptions included \$1,235,000 of Series F First Mortgage Bonds, 8.70%, due November 15, 2001, \$930,000 of Series G First Mortgage Bonds, 8.875%, due April 1, 2004, and \$1,400,000 of Series I First Mortgage Bonds, 9.85%, due October 15, 1997.

On December 3, 1993, FG&E's 10.51% Note aggregating \$12,000,000 matured. FG&E arranged for the private placement of a new 30-year \$19 million note bearing a fixed annual interest rate of 6.75%, which refinanced the 10.51% note and provided for the early redemption on December 1, 1993, of three other higher cost long-term debt issues. The other issues were: \$5,925,000 of twenty-five year notes, 9.375%, due March 1, 1995; \$600,000 of twenty-year notes, 10%, due September 1, 1996; and \$2,700,000 of twenty-five year notes, 10.25%, due May 1, 1999.

Under the terms of both CECO's and E&H's Indenture of Mortgage and Deed of Trust and the supplemental indentures thereto relating to long-term debt, the sinking fund requirements of certain series of Bonds may be satisfied by certifying to the Mortgage Trustee "net additional property" in lieu of making cash redemptions. This provision applies to CECO's Series C and D Bonds and to E&H's Series F and G Bonds. In 1994 and 1993, CECO satisfied its requirements with respect to its Series C Bonds by certifying to the Mortgage Trustee "net additional property." In 1994, sinking fund and redemption payments relating to long-term debt amounted to \$6,797,773. This amount includes early redemptions and optional sinking fund payments associated with CECO's and E&H's October 1994 long-term refinancings.

Certain of the loan agreements contain provisions which, among other things, limit the incurrence of additional long-term debt.

The aggregate amount of sinking fund requirements and normal scheduled redemptions for each of the five years following 1994 are: 1995-\$144,000; 1996-\$1,294,000; 1997-\$1,294,000; 1998-\$4,371,000 and 1999-\$2,290,000.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. Management believes the carrying value of the debt approximated the fair value at December 31, 1994 and 1993.

Note 6: Credit Arrangements

At December 31, 1994, the Company had unsecured committed bank lines for short-term debt aggregating \$11,000,000 with three banks for which it pays commitment fees. Further, the Company has an unsecured guidance line of credit for short-term debt, on a "when available" basis, aggregating \$3,000,000 with one bank, for which it pays no commitment fees. At December 31, 1994, there were no borrowings outstanding under these credit lines. The average interest rate on all short-term borrowings outstanding during 1994 was 4.43%.

Note 7: Income Taxes

On January 1, 1993, the Company adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). Prior to 1993, the Company recorded deferred income taxes under Accounting Principles Board Opinion No. 11. SFAS 109 requires the use of the asset/liability method of accounting for deferred income taxes on all temporary differences. At December 31, 1994, the Company has the following balances recorded: a regulatory asset of approximately \$23.1 million to Other Deferred Debits, a regulatory liability of approximately \$8.1 million to Other Deferred Credits, and an additional deferred tax liability of approximately \$15 million. These amounts as recorded reflect the tax effect of future revenue requirements in accordance with SFAS 109.

The components of Federal and State income taxes reflected in the accompanying consolidated statements of earnings for the years ended December 31, 1994, 1993 and 1992 were as follows:

1994

1993

1992

Federal:			
Current	\$3,497,311	\$3,633,205	\$2,483,185
Deferred	186,060	(179,080)	565,071
Amortization of investment tax credits	(210,676)	(216,698)	(209,884)
Total Federal	3,472,695	3,237,427	2,838,372
State:			
Current	610,159	610,618	705,916
Deferred	71,570	(154,489)	73,818
Total state	681,729	456,129	779,734
Total Provision for Income Taxes	\$4,154,424	\$3,693,556	\$3,618,106

Federal income tax expense is comprised of the following components:

	Year Ended December 31,		
	1994	1993	1992
Current expense charged (credited):			
Operating expenses	\$3,480,317	\$3,627,187	\$2,482,450
Non-operating income	16,994	6,018	3,170
Unsolicited tender offer	---	---	(2,435)
Amortization of investment tax credit	(210,676)	(216,698)	(209,884)
Total	3,286,635	3,416,507	2,273,301
Deferred tax expense charged (credited):			
Accelerated tax depreciation	590,655	528,500	495,915
Abandoned properties	(611,620)	(582,378)	(334,350)
Allowance for funds used during construction and overheads	(73,192)	(73,192)	(73,192)
Deferred retirement benefits other than pensions	(27,162)	(25,238)	----
Deferred maintenance cost and miscellaneous	(122,382)	(89,471)	28,574
Percentage repair allowance	145,927	139,424	21,586
Unbilled fuel	---	(172,226)	(412,828)
Deferred advances	26,967	(95,877)	(107,427)
Deferred pensions	256,867	191,378	169,186
Investment tax credit	---	---	388,358
Alternative minimum tax credit	---	---	389,249
Total deferred tax	186,060	(179,080)	565,071
Total	\$3,472,695	\$3,237,427	\$2,838,372

The federal income tax amounts included in the Consolidated Statements of Earnings differ from the amounts which result from applying the statutory federal income tax rate to Net Earnings before income tax. The reasons, with related percentage effects, are shown below:

	Year Ended December 31,		
	1994	1993	1992
Statutory Federal income tax rate	34%	34%	34%
Income tax effects of:			
Merger	---	---	(1)
Federal income taxes - prior	---	(1)	---
Investment tax credit	(2)	(2)	(2)
Other items, net	(2)	(1)	(1)
Effective Federal income tax rate	30%	30%	30%

Accumulated Deferred Income Taxes due to temporary differences which give rise to deferred tax assets and liabilities at December 31, 1994 and 1993 are as follows:

Accumulated Deferred Income Taxes for the Year Ended December 31,

	\$23,526,226	\$23,097,782
Abandoned Property	10,960,148	11,571,768
Contributions in Aid to Construction	(2,626,042)	(2,630,894)
Percentage Repair Allowance	1,517,573	1,376,030
Cathodic Protection	253,863	231,943
Retirement Loss	1,121,792	892,814
Deferred Pensions	2,091,056	1,737,118
AFUDC	96,211	113,545
Overheads	420,896	481,323
KESOP	(361,080)	(303,043)
Bad Debts	(217,220)	(219,578)
Accumulated Deferred (SFAS 109) Gross-up	4,475,182	4,958,804
Other	(168,986)	(27,816)
Total Accumulated Deferred Income Taxes	\$41,089,619	\$41,279,796

Note 8: Joint Ownership Units

FG&E is participating, on a tenancy-in-common basis with other New England utilities, in the ownership of three generating units. New Haven Harbor is a dual-fired oil-and-gas station, and Wyman Unit No. 4 is an oil-fired station. They have been in commercial operation since August 1975 and December 1978, respectively. Millstone Unit No. 3, a nuclear generating unit, has been in commercial operation since April 1986. Information with respect to these units is set forth in the table below:

Joint Ownership	State	Proportionate Share of Total Ownership %	MW	Company's Share (In thousands of dollars)	
				Amount of Utility Plant in Service	Accumulated Depreciation
Millstone Unit No.3	Conn.	0.2170	2.50	\$11,530	\$2,819
Wyman Unit No.4	Maine	0.1822	1.13	408	243
New Haven Harbor	Conn.	4.5000	20.12	7,065	4,548
			23.75	\$19,003	\$7,610

Operating expenses of the joint ownership units included in the 1994 Consolidated Statements of Earnings and proportionate amounts charged to specific operating expenses are as follows:

	Millstone Unit No. 3	Wyman Unit No. 4	New Haven Harbor	Percentage of Total Electric Expense Category
(In thousands of dollars)				
Operating Expenses, Other	\$206	\$22	\$598	11%
Fuel Used in Electric Generation	88	18	1,387	93%
Maintenance	75	5	342	36%
Local Property Tax	60	7	181	23%
Other Taxes	14	---	21	4%
Total Operating Expenses	\$443	\$52	\$2,529	

Note 9: Commitments and Contingencies

Lease Obligations _ The Company's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their operations and office equipment. FG&E has a facility lease for twenty-two years which began in February 1981. The lease is subject to five, five-year renewal periods at the option of FG&E. The equipment leases include a twenty-five-year lease, which began on April 1, 1973, for a combustion turbine and a liquefied natural gas storage and vaporization facility. This lease is subject to a ten-year renewal period at the option of FG&E. In addition, FG&E leases some equipment under operating leases.

The UNITIL System of Companies follows the provisions of Statement of Financial Accounting Standards No. 13 (SFAS 13), "Accounting for Leases."

The following is an analysis of the leased property under capital leases by major classes:

	Asset Balances at December 31,	
Classes of Utility Plant	1994	1993
Electric	\$2,054,025	\$2,054,025
Gas	726,329	726,329
Common	3,816,643	3,598,834
Gross Plant	6,596,997	6,379,188
Less: Accumulated Depreciation	2,579,456	2,184,681
Net Plant	\$3,837,541	\$4,194,507

The following is a schedule by years of future minimum lease payments and present value of net minimum lease payments under capital and operating leases as of December 31, 1994:

Year Ending December 31,	Capital	Operating
1995	\$853,952	\$187,613
1996	790,173	179,909
1997	773,227	100,513
1998	765,703	27,142
1999	539,549	6,628
2000 - 2004	1,904,041	
Total minimum lease payments	\$5,626,645	\$501,805
Less: Amount representing interest	1,789,104	
Present value of net minimum lease payments	\$3,837,541	

Total rental expense charged to operations for the years ended December 31, 1994, 1993 and 1992 amounted to \$320,000; \$601,000; and \$620,000, respectively.

Purchased Power and Gas Supply Contracts _ FG&E and UNITIL Power have commitments under long-term contracts for the purchase of electricity and gas from various suppliers. Generally, these contracts are for fixed periods and require payment of demand and energy charges. Total costs under these contracts are included in Electricity and Gas Purchased for Resale in the Consolidated Statements of Earnings. These costs are normally recoverable in revenues under various cost recovery mechanisms.

The status of the electric purchased power contracts at December 31, 1994, was as follows:

Unit Fuel Type	1994 Energy MW Entitlement	Purchased (MWH's)	Contract End-Date	Est. Annual Min. Payments Which Cover Future Debt Service Reqs.(\$000)
Non-Utility Purchases				
UNITIL Power				
Refuse	6.0[2]	45,505	2003	None
Wood	9.5[2]	2,092	2002	None
Wood	9.5[2]	1,884	2002	None
Gas	1.5	8,210	2012	None
Coal	20.0	58,892	2009	None
FG&E				
Wood	14.0	89,089	2012	None
Hydro	3.0	20,411	2012	None

Utility Purchases

UNITIL				
Power				
Nuclear	25.0	207,478	1998	None
Oil/Gas	23.0	21,646	1998	None
Hydro	8.9		2001	\$1,181 [4]
Various	40.0[2]	98,593	1999	None
Coal/Oil	15.0[2]	42,513	2005	None
Oil/Gas	25.0	69,203	1996	None
Oil/Gas	15.0	[3]	2006	None
Gas	22.0[2]	46,476	2010	\$1,703 [5]
Nuclear	3.0[2]	5,814	2005	None
Nuclear	2.0[2]	3,527	2005	None
Coal/Oil	9.3[2]	19,126	2005	None
Nuclear	1.9[2]	10,250	2013	None
Nuclear	10.0	53,949	2010	None
Oil/Gas	2.0	1,726	2003	None
Oil	5.0[2]	7,674	2005	None
Oil	5.0[2]	8,168	2005	None
System	30.0	[3]	2007	None
System	8.0	20,600	1996	None
Oil/Gas	10.0[2]	[3]	2008	None
Various		40,134		None
	[6]			
Various	[7]	215,319		None
FG&E				
Nuclear	10.0	84,109	1996	None
Hydro	2.1		1996	\$78 [4]
Hydro	3.2		2001	\$449 [4]
Various	20.0	45,667	1994	None
Coal	15.0[2]	3,385	2001	None
Various		60,518		None
Various		70,813		None

Notes:

- [1] Total Annual Cost of Purchase Power Contracts are included on Consolidated Statement of Earnings.
- [2] Capacity amounts vary over time. Represents maximum capacity purchased under the contract.
- [3] Purchase contracted to begin after 1994.
- [4] Total support charges including debt service requirements.
- [5] Total estimated 1995 annualized capacity payments, including debt service requirements.
- [6] Short-term purchases of a month or less in duration.
- [7] Net energy purchases from NEPOOL.

Pension Plans _ Four of the Company's subsidiaries have Retirement and Pension plans and related Trust Agreements to provide retirement annuities for participating employees at age 65. These subsidiaries follow the provisions of Statement of Financial Accounting Standards No. 87, "Employer's Accounting for Pensions" (SFAS 87). The entire cost of the plans is borne by the respective subsidiaries.

Net periodic pension (income) cost for 1994, 1993 and 1992 included the following components:

	1994	1993	1992
Service cost -- benefits earned during the period	\$693,340	\$645,226	\$640,763
Interest cost on projected benefit obligation	1,795,836	1,758,782	1,699,374
Expected return on plan assets	(2,714,751)	(2,437,232)	(2,386,618)
Net amortization and deferral	(20,546)	(2,742)	(27,575)
Net periodic pension (income) cost	\$(246,121)	\$(35,966)	\$(74,056)

The following table sets forth the plans' funded status at December 31, 1994, 1993 and 1992:

Projected benefit obligation:

	1994	1993	1992
Vested	\$19,970,389	\$19,971,230	\$18,151,863

Non-vested	331,910	149,810	143,263
Accumulated	20,302,299	20,121,040	18,295,126
Due to recognition of future salary increases	2,521,055	3,278,283	3,254,105
Total	22,823,354	23,399,323	21,549,231
Plan assets at fair value	27,343,779	29,273,216	26,469,931
Funded status (gain)	4,520,425	5,873,893	4,920,700
Unrecognized net loss	935,653	(1,181,666)	(708,535)
Unrecognized prior service cost	138,204	151,690	165,176
Unrecognized transition obligation	189,432	173,204	156,976
Prepaid pension cost	\$5,783,714	\$5,017,121	\$4,534,317

Plan assets are invested in common stock, short-term investments and various other fixed income security funds.

The weighted-average discount rates used in determining the projected benefit obligation in 1994, 1993 and 1992 were 8.25%, 7.75% and 8.25%, respectively, while the rate of increase in future compensation levels was 4.50%, 4.50% and 5.00%, respectively. The expected long-term rate of return on assets was 9.5% in each of the years 1994, 1993 and 1992.

Effective January 1, 1987, UNITIL Service Corp. adopted a Supplemental Executive Retirement Plan (SERP). The SERP is an unfunded retirement plan with participation limited to executives selected by the Board of Directors. The cost associated with the SERP amounted to \$53,000; \$53,000; and \$48,000 for the years ended December 31, 1994, 1993 and 1992, respectively.

Post-Retirement Benefits _ Effective as of January 1, 1993, the Company's subsidiaries significantly modified the duration of post-retirement health care benefits. From that date forward, all current retirees were offered such benefits only for an additional twelve-month period and all future retirees will be entitled to such benefits for a twelve-month period following their retirement. The Company's subsidiaries continue to provide life insurance coverage to retirees by making monthly premium payments to a life insurer. Life insurance and limited health care post-retirement benefits required the Company to adopt the provisions of Statement of Financial Accounting Standard No. 106, "Employers' Accounting for Post-retirement Benefits Other than Pensions" (SFAS 106). For 1994 and 1993, the costs associated with providing health care and life insurance benefits under this arrangement were \$82,625 and \$585,000. This statement requires accrual accounting for postretirement benefits during the employee's years of service with the Company and the recognition of the actuarially determined total postretirement benefit obligation earned by existing retirees. At December 31, 1994 and 1993, the accumulated postretirement benefit obligation (transition obligation) was approximately \$385,000 and \$406,000, respectively, under SFAS 106. This obligation is being recognized on a delayed basis over the average remaining service period of active participants and such period will not exceed 20 years. The Company has omitted certain disclosures relating to SFAS 106, as the accumulated post-retirement benefit obligation (transition obligation) is not material. Prior to 1993, expense was recognized when benefits were paid. In 1992, this expense was \$424,000.

Stock Option Plan _ The Company maintains a Key Employee Stock Option Plan ("KESOP"), which provides for the granting of options to key employees. The number of shares granted under this plan, as well as the terms and conditions of each grant , are determined by the Board of Directors, subject to plan limitations. All options granted under the KESOP expire within ten years of the grant date, and no option can be issued under the current plan after 1999. The KESOP also includes shares related to the Fitchburg Gas & Electric Company option plan, which was merged into the KESOP upon the merger of Fitchburg Gas & Electric into the Company. The plan provides for dividend equivalents on options granted, which are recorded as compensation expense.

Details of the stock options are as follows:

	1994	1993	1992*
Beginning Options	142,354	133,216	139,480
Outstanding & Exercisable			
Options Granted	----	9,000	----
Dividend Equivalents Earned	9,737	8,404	8,702
11 % Stock Dividend Earned	----	----	9,034
Options Exercised	4,110	6,966	24,000
Options Canceled	----	1,300	----
Ending Options Outstanding &	147,981	142,354	133,216

Exercisable

Range of Option Grant Price per Share	\$12.63-\$17.74	\$12.63-\$17.74	\$12.63-\$13.45
---------------------------------------	-----------------	-----------------	-----------------

*Figures reflect merger of FG&E into the UNITIL System and 2-for-1 stock split in 1992

Environmental Matters _ For many years, the Company's combination gas and electric operating subsidiary, FG&E, and a former subsidiary of FG&E, operated coal gasification plants in Fitchburg (the Sawyer Passway Site) and Gardner (the Logan Street Site), Massachusetts. During the last several years, FG&E has been working with the Massachusetts Department of Environmental Protection (DEP) and other responsible parties to assess the environmental contamination in the vicinity of these sites as a result of historical gas manufacturing operations. Based on information developed over the last several years, it had been discovered that there was environmental contamination at the Sawyer Passway Site which will require continuing assessment, as well as remedial action in the future. The DEP has classified the Sawyer Passway Site as a confirmed hazardous waste site, which will require compliance under the DEP Massachusetts Contingency Plan (MCP) regulations.

The new MCP regulations were issued by the DEP in June, 1993, and took effect October 1, 1993. Under the regulations, FG&E has five years from the date of a hazardous waste TIER classification permit to complete the remediation effort at the Sawyer Passway Site. The new procedures include site ranking; the use of a State Licensed Site Professional; and compliance with various other new applications, reporting and enforcement procedures. Based on work done with the DEP during 1994 in compliance with the MCP regulations, FG&E received notification of the Sawyer Passway Site TIER classification permit in December, 1994. The five year remediation clock will commence in 1995. Also in coordination with the DEP requirements, FG&E will conduct a preliminary site assessment of the Logan Street Site in 1995. This assessment will determine if the site needs to be TIER classified. Because site assessment is at an early stage at both locations, management cannot at this time predict the costs of future analysis and remediation.

The costs of environmental assessment and any remedial action taken in connection with testing, analysis and remediation work at these sites are initially funded internally and then recovered under a rate recovery mechanism approved by the MDPU. This rate recovery mechanism provides for the deferral of environmental costs and subsequent recovery through future rates over succeeding seven-year periods. FG&E has a number of liability insurance policies that may provide coverage for remediation of former coal gasification sites. Any recovery that FG&E receives from insurance or third parties will be split equally between FG&E and its ratepayers through an appropriate adjustment to the rate recovery mechanism.

Note 10: Regulatory Matters

In conjunction with FG&E's \$19 million long term note financing in 1993, FG&E also made a proposal before the MDPU to share a portion of the resulting interest savings with ratepayers by cutting base rates to all gas and electric customers. The MDPU approved the proposal and a rate reduction of \$327,000 on an annual basis became effective on December 1, 1993. The last formal regulatory hearings to increase base rates for UNITIL's retail operating subsidiaries occurred in 1985 for CECO, 1984 for FG&E and 1981 for E&H. A majority of the UNITIL System's operating revenue in each year are collected under various rate adjustment mechanisms including: fuel, purchased power, cost of gas and conservation program cost recovery mechanisms.

Under Order 636, issued by the Federal Energy Regulatory Commission (FERC) in April 1992, a comprehensive set of regulations was established to encourage competition by requiring gas pipeline suppliers to convert existing "bundled" sales services to "unbundled" transportation services. One aspect of the order allows pipeline suppliers to recover prudently incurred costs resulting from the transition to the new rules. FG&E, the Company's combination gas & electric utility operating subsidiary, has been incurring FERC-approved transition charges from its natural gas pipeline supplier since 1992. Through the end of 1994, the amount of transition costs incurred by FG&E totaled approximately \$1.7 million. These costs have been recovered directly from FG&E's gas customers through the cost of gas adjustment mechanism. Based on estimates included in rate filings before the FERC and other publicly available information, FG&E currently estimates that it may incur up to an additional \$1.7 million of transition costs in future years. FG&E expects full recovery

of these costs from billings to customers.

Note 11: Segment Information

In accordance with FASB Statement No. 14, the following information is presented relative to the electric and gas operations of the Company:

	1994	1993	1992
Electric Operations			
Operating revenues	\$134,096,627	\$132,754,707	\$127,672,435
Operating income before income taxes	\$15,884,879	\$15,248,660	\$14,349,213
Identifiable assets as of December 31	\$171,757,678	\$169,360,726	\$143,758,957
Depreciation	\$5,359,212	\$5,215,489	\$5,045,113
Construction expenditures	\$7,364,344	\$6,849,060	\$6,654,084
Gas Operations			
Operating revenues	\$18,694,703	\$18,486,105	\$19,261,089
Operating income before income taxes	\$2,026,055	\$2,512,287	\$2,609,961
Identifiable assets as of December 31	\$28,181,365	\$27,168,106	\$20,737,834
Depreciation	\$770,405	\$733,583	\$657,266
Construction expenditures	\$1,816,390	\$1,070,984	\$1,224,103
Total Company			
Electric and Gas Operating Revenues	\$152,791,330	\$151,240,812	\$146,933,524
Other Revenue	624,560	368,010	----
Total Operating Revenues	\$153,415,890	\$151,608,822	\$146,933,524
Operating income before income taxes	\$17,910,934	\$17,760,947	\$16,959,174
Income tax expense	(4,137,430)	(3,687,538)	(3,617,371)
Non-operating income	62,887	50,145	22,162
Net interest and other expenses	(5,798,192)	(6,523,487)	(6,793,703)
Net income	8,038,199	7,600,067	\$6,570,262
Dividend Requirements on Preferred Stock	291,543	297,577	351,623
Net Income Applicable to Common Stock	\$7,746,656	\$7,302,490	\$6,218,639
Identifiable assets as of December 31	\$199,939,043	\$196,528,832	\$164,496,791
Unallocated assets, primarily working capital	4,582,418	4,979,923	7,851,704
Total assets as of December 31	\$204,521,461	\$201,508,755	\$172,348,495
Depreciation	\$6,129,617	\$5,949,072	\$5,702,379
Construction expenditures	\$9,180,734	\$7,920,044	\$7,878,187

Expenses used to determine operating income before taxes are charged directly to either segment or are allocated in accordance with factors contained in cost of service studies which were included in rate applications approved by the NHPUC and MDPUC. Assets allocated to each segment are based upon specific identification of such assets provided by Company records. Assets not so identified represent primarily working capital items.

Report of Independent Certified Public Accountants To the Shareholders of UNITIL Corporation:

We have audited the accompanying consolidated balance sheets and consolidated statements of capitalization of UNITIL Corporation and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of earnings, cash flows and changes in common stock equity for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's

management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of UNITIL Corporation and subsidiaries as of December 31, 1994 and 1993, and the consolidated results of their operations and their consolidated cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in Note 7 to the consolidated financial statements, in 1993 the Company changed its method of accounting for income taxes.

Boston, Massachusetts
February 10, 1995

March 17, 1995

Dear Fellow Shareholder,

The Annual Meeting of Common Shareholders is scheduled to be held on Thursday, April 20, 1995, at 10:30 a.m., at The Sheraton Portsmouth Hotel, 250 Market Street, Portsmouth, New Hampshire.

Enclosed you will find a 1994 annual report, a notice of meeting, a proxy statement and a proxy card to be used in connection with the meeting. This year, shareholders are being asked to vote on the election of four Directors.

We hope that you are able to attend the Annual Meeting. Your vote is important whether you own one share or many. Whether or not you plan to be present, we urge you to sign and promptly return the enclosed proxy card in the envelope provided.

Thank you for your continued interest in the Company.

Sincerely,

/s/ Peter J. Stulgis

Peter J. Stulgis
Chairman of the Board of Directors
and Chief Executive Officer

UNITIL Corporation

NOTICE OF ANNUAL MEETING OF COMMON SHAREHOLDERS

Exeter, New Hampshire
March 17, 1995

To the Common Shareholders:

You are hereby notified that the annual meeting of common shareholders of UNITIL Corporation will be held at The Sheraton Portsmouth Hotel, 250 Market Street, Portsmouth, New Hampshire, on April 20, 1995, at 10:30 A.M., for the following purposes:

1. To elect four Directors.
2. To act on such other matters as may properly come before the meeting and any adjournments thereof.

The enclosed form of proxy has been prepared at the direction of the Board of Directors of UNITIL and is sent to you at its request. The persons named in said proxy have been designated by the Board of Directors.

IF YOU DO NOT EXPECT TO BE PRESENT PERSONALLY AND YOU WISH YOUR STOCK VOTED AT THE MEETING, PLEASE SIGN, DATE AND RETURN THE PROXY CARD ENCLOSED HERewith BY MAIL IN THE POSTAGE-PAID ENVELOPE, ALSO ENCLOSED. IF YOU LATER FIND THAT YOU CAN BE PRESENT, OR FOR ANY OTHER REASON DESIRE TO REVOKE OR CHANGE YOUR PROXY, YOU MAY DO SO AT ANY TIME BEFORE IT IS VOTED.

The Board of Directors fixed March 6, 1995 as the record date for the determination of those shareholders entitled to notice of and to vote at this meeting and all persons who were holders of record of Common Stock on such date and no others are entitled to notice of and to vote at this meeting and any adjournments thereof.

By Order of the Board of
Directors,

Gail A. Siart
Secretary

March 17, 1995

proxy statement

ANNUAL MEETING OF COMMON SHAREHOLDERS, APRIL 20, 1995

This proxy statement is furnished in connection with the solicitation by the Board of Directors of proxies in the accompanying form for use at the 1995 annual meeting of common shareholders of UNITIL Corporation ("UNITIL" or "the Company"). Each proxy can be revoked at any time before it is voted by written notification to the Secretary of UNITIL at the above address prior to the meeting, or in person at the meeting. Every properly signed proxy will be voted unless previously revoked.

UNITIL presently has seven subsidiaries, Concord Electric Company ("CECo"), Exeter & Hampton Electric Company ("E&H"), Fitchburg Gas and Electric Light Company ("FG&E"), UNITIL Power Corp. ("UNITIL Power"), UNITIL Realty Corp. ("UNITIL Realty"), UNITIL Resources, Inc. ("UNITIL Resources") and UNITIL Service Corp. ("UNITIL Service").

The annual report of UNITIL for the year 1994 is enclosed herewith and includes financial statements which are not part of this proxy statement.

The voting securities of UNITIL issued and outstanding on March 6, 1995 consisted of 4,281,140 shares of Common Stock, no par value, entitling the holders thereof to one vote per share. Holders of Common Stock of record on such date are entitled to notice of and to vote at the annual meeting and any adjournments thereof. A majority of the outstanding shares of Common Stock constitutes a quorum.

Except as set forth below, no person owns of record and, to the knowledge of UNITIL, no person owns beneficially more than five percent of the Common Stock of UNITIL which may be voted at the meeting and any adjournments thereof.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Shares Outstanding
Charle H. Tenney II 300 Friberg Parkway Westborough, MA 01581	267,808 (1)	6.20%

NOTES:

- (1) Based on information provided by Mr. Tenney. See notes 2, 3 and 8 to the table below under the heading "As to the Election of Directors."

The twelve Directors and the officers of UNITIL as a group have beneficial ownership as of March 1, 1995 of 312,001 shares (7.29%) of Common Stock, of which they have direct beneficial ownership of 156,832 shares (3.66%), which excludes options to purchase 119,266 shares (2.79%) pursuant to the exercise of those options, and indirect beneficial ownership of 155,169 shares (3.63%). To the knowledge of UNITIL, each of said Directors and officers has voting and investment power with respect to the shares directly owned. With regard to certain of the indirect beneficial ownership by said group, see the footnotes to the table contained in the section of this proxy statement entitled "AS TO THE ELECTION OF DIRECTORS" setting forth certain information about the Directors of UNITIL.

Assuming a quorum is present, the favorable vote of a majority of the shares of Common Stock represented and voting will be required for approval of all matters, including the election of Directors, which may come before the meeting.

AS TO THE ELECTION OF DIRECTORS

The By-Laws of UNITIL provide for a Board of between nine and fifteen Directors divided into three classes, each class being as nearly equal in number as possible, and each with their respective terms of office arranged so that the term of office of one class expires in each year, at which time a corresponding number of Directors is elected for a term of three years. UNITIL currently has twelve Directors. Upon the retirement of Endicott Smith, who will not stand for re-election this year as a Director, the UNITIL Board will consist of eleven directors.

Information About Nominees for Directors

Each nominee has been a member of the Board of Directors since the date indicated. Proxies will be voted for the persons whose names are set forth below unless instructed otherwise. If any nominee shall be unable to serve, the proxies will be voted for such person as may be designated by management to replace such nominee. Each of the nominees has consented to being named in this proxy statement and to serve if elected. Unless otherwise indicated, all shares shown represent sole voting and investment power.

	Director Since	Common Stock Owned Beneficially on March 1, 1995 (1) Shares
Michael J. Dalton, Age 54 President and Chief Operating Officer of UNITIL	1984	52,383 (2)(3)(5)(6)
G. Arnold Haynes, Age 66 President and Principal of Haynes Mgmt, Inc., Wellesley Hills, MA (real estate development and management).	1992	2,444
J. Parker Rice, Jr., Age 69 Director, former President and Treasurer of Hyland/Rice Office Products, Inc., Fitchburg, MA (office products dealer).	1992	1,015

Information about Nominees for Directors ... continued

	Director Since	Common Stock Owned Beneficially on March 1, 1995 (1) Shares
Joan D. Wheeler, Age 57 Owner of the Russian Gallery, Marblehead, MA (art gallery specializing in works on paper and crafts from artists living and working in Russia). Ms. Wheeler is a former Director of Shaw's Supermarkets, Inc. (1979-1987) and of Granite Bank (1984-1989), Keene, NH, and a former Trustee of Franklin Pierce College. She is also Moderator of the Hollis- Brookline (NH) School District.	1994	1,000

Information About Directors Whose Terms of Office Continue

	Director Since	Term to Expire	Common Stock Owned Beneficially on March 1, 1995 (1) Shares
Douglas K. Macdonald, Age 66 Retired since 1988, Prior to his retirement, Mr. Macdonald was Vice President and Controller of UNITIL and President of CECo.	1984	1996	924
Peter J. Stulgis, Age 44 Chairman of the Board and Chief Executive Officer of UNITIL.	1984	1997	43,866 (2)(3)(5)(7)
Charles H. Tenney II, Age 76 Retired since 1992. Prior to his retirement, Mr. Tenney was Chairman of the Board and Chief Executive Officer of UNITIL and FG&E. Mr. Tenney is also Chairman of the Board of Directors of Bay State Gas Company, Westborough, MA (natural gas distributor).	1984	1996	267,808 (2)(3)(4)(5)(8)
Charles H. Tenney III, Age 47 (4) Elected officer (Clerk) of Bay State Gas Company, Westborough, MA (natural gas distributor).	1992	1997	2,109

Information About Directors Whose Terms of Office Continue ... continued

	Director Since	Term to Expire	Common Stock Owned Beneficially on March 1, 1995 (1) Shares
William W. Treat, Age 76 Lawyer, sole private practice, former Director and Chairman of the Board of Directors of Bank Meridian, Hampton, NH, and a former Director of Amoskeag Bank Shares, Inc., Manchester, NH. Mr. Treat is also a Director of the Colonial Group, Inc., Boston, MA (investments).	1984	1996	20,276 (9)
W. William VanderWolk, Jr. Age 71 Owner of Horizon Management, Manchester, NH (property and restaurant management).	1984	1997	14,208 (10)
Franklin Wyman, Jr., Age 73 Chairman of the Board and Treasurer of Wright Wyman, Inc., Boston, MA (corporate financial consultants). Mr. Wyman is a Trustee and Vice President of Brookline Savings Bank, Brookline, MA.	1992	1997	5,000

NOTES:

Except as otherwise noted, each of the persons named above has held his present position (or another executive position with the same employer) for more than the past five (5) years.

- (1) Based on information furnished to UNITIL by the nominees and continuing Directors.
- (2) Included are 454, 225 and 251 shares which are held in trust for Messrs. Stulgis, Dalton and Tenney, respectively, under the terms of the UNITIL Tax Deferred Savings and Investment Plan ("401(k)"); they have voting power only with respect to the shares credited to their accounts. For further information regarding 401(k), see "Other Compensation Arrangements - Tax-Qualified Savings and Investment Plan" below.
- (3) Included are 36,168, 37,824 and 36,168 shares which Messrs. Stulgis, Dalton and Tenney, respectively, have the right to purchase pursuant to the exercise of options under the Key Employee Stock Option Plan. (See "Other Compensation Arrangements - Key Employee Stock Option Plan").
- (4) Charles H. Tenney II is the father of Charles H. Tenney III.
- (5) With the exception of Messrs. Stulgis, Dalton and Tenney, who own shares totaling 1.02%, 1.21% and 6.20%, respectively, of the total outstanding shares, no Director or officer owns more than one percent of the total outstanding shares.
- (6) Included are 11,249 shares held by Mr. Dalton jointly with his wife with whom he shares voting and investment power. Included are 46 shares held by Mr. Dalton as custodian for one of his children; he has voting and investment power with respect to such shares.
- (7) Included are 4,648 shares held by Mr. Stulgis jointly with his wife with whom he shares voting and investment power.
- (8) Included are 124,552 shares (2.91%) owned by two trusts of which Mr. Tenney is Co-Trustee with shared voting and investment power; he has a 1/6 beneficial interest in both trusts and disclaims any beneficial ownership of such shares other than such 1/6 beneficial interest.
- (9) Included are 5,386 shares owned by three trusts of which Mr. Treat is Trustee with voting and investment power; he has no beneficial interest in such shares. Also included are 10,500 shares owned by one organization in which Mr. Treat has shared voting and investment power and a 1/3 beneficial interest.
- (10) Included are 3,063 shares owned by a member of Mr. VanderWolk's family; he has no voting or investment power with respect to, and no beneficial interest in, such shares.

The Board of Directors met five times in 1994. During 1994, Directors attended an average of 95% of all meetings of the Board of Directors held and of all meetings held by all Committees of the Board on which they served, if any.

Section 17(a) of the Public Utility Holding Company Act of 1935 and Section 16(a) of the Securities Exchange Act of 1934 require the Company's officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file certain reports of ownership and changes in share ownership with the Securities and Exchange Commission and the American Stock Exchange and to furnish the Company with copies of all Section 17(a) and Section 16(a) forms they file. Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that such forms were not required for those persons, the Company believes that all filing requirements applicable to its officers and directors during 1994 and through March 1, 1995 were met, without exception.

----- Compensation of Directors

Members of the Board of Directors who are not officers of UNITIL or any of its subsidiaries receive an annual retainer fee of \$7,000 and \$500 for each Board meeting attended. Members of the Executive Committee, who are not officers of UNITIL or any of its subsidiaries, receive an annual retainer fee of \$2,000 and \$400

for each meeting attended. Members of the Audit Committee and Compensation Committee receive an annual retainer fee of \$1,000 and \$400 for each meeting attended. Those Directors of UNITIL who also serve as Directors of CECo, E&H or FG&E and who are not officers of UNITIL or any of its subsidiaries receive a meeting fee of \$100 per subsidiary meeting attended and no annual retainer fee from CECo, E&H or FG&E. All Directors are entitled to reimbursement of expenses incurred in connection with attendance at meetings of the Board of Directors and any Committee on which they serve.

In 1992, the Company entered into a Senior Advisory Agreement with Charles H. Tenney II. Mr. Tenney was Chief Executive Officer and Chairman of the Board of the Company until his retirement in 1992. The agreement, which is reviewed on an annual basis, provides that Mr. Tenney will be compensated \$105,000 per annum for his role as Chairman of the Executive Committee of the Board of the Company, as well as for other advisory services which he will provide. In consideration of this Agreement, Mr. Tenney is waiving all Board-related fees and retainers that he is otherwise entitled to receive as a Director of the Company.

Committees of the Board of Directors

Executive Committee

The Executive Committee of the Board of Directors held four meetings in 1994. Its members are Charles H. Tenney II (Chairman), Peter J. Stulgis, William W. Treat, W. William VanderWolk, Jr. and Franklin Wyman, Jr. This Committee's responsibility is to review and oversee corporate policies related to the Company's long-range strategic business, financial and operating plans. In addition, the Executive Committee also acts as a nominating committee. In its function as a nominating committee, the committee coordinates suggestions or searches for potential nominees for Board members; reviews and evaluates qualifications of potential Board members; and recommends to the Board of Directors nominees for vacancies occurring from time to time on the Board of Directors. The Committee will consider nominees recommended by shareholders upon timely submission of the names of such nominees with qualifications and biographical information forwarded to the Executive Committee of the Board of Directors.

Audit Committee

The Audit Committee of the Board of Directors, which held two meetings in 1994, consists of William W. Treat (Chairman), J. Parker Rice, Jr. and W. William VanderWolk, Jr. The duties of this Committee encompass making recommendations on the selection of UNITIL's independent auditors; conferring with such auditors regarding, among other things, the scope of their examination, with particular emphasis on areas where special attention should be directed; reviewing the accounting principles and practices being followed by UNITIL; assessing the adequacy of UNITIL's interim and annual financial statements; reviewing the internal audit controls of UNITIL and its subsidiaries; performing such other duties as are appropriate to monitor the accounting and auditing policies and procedures of UNITIL and its subsidiaries; and reporting to the full UNITIL Board from time to time.

Compensation Committee

The Compensation Committee of the Board of Directors, which held three meetings in 1994, consists of Charles H. Tenney II (Chairman), J. Parker Rice, Jr. and Endicott Smith. The duties of this Committee include studying and making recommendations to the Board of Directors of UNITIL and the appropriate Board of each of its subsidiaries with respect to salaries and other benefits to be paid to the officers of UNITIL and such subsidiaries.

Compensation Committee Interlocks and Insider Participation

Charles H. Tenney II served as the Chairman of the Compensation Committee during fiscal 1994. Mr. Tenney is the former Chairman of the Board of Directors and Chief Executive Officer of the Company, serving as such until his retirement in April 1992. He

currently has a Senior Advisory Agreement with the Company (see "Compensation of Directors") and is also Chairman of the Executive Committee of the Board of Directors.

Director Emeritus

The Company has a directors' advisory council composed of retired members of the Company's Board of Directors. Each member, known as a Director Emeritus, is appointed yearly by the Board of Directors to render advisory services to the Board. Directors Emeriti have no vote with respect to any matter acted upon by the Board, nor is their presence counted for purposes of determining a quorum. In April, 1995, upon the expiration of his current term as Director, Endicott Smith will be appointed Director Emeritus. Mr. Smith will join Directors Emeriti Richard L. Brickley, Philip H. Bradley and Theodore C. Haffenreffer, Jr. who were appointed to their positions in 1992, 1993 and 1994, respectively. Directors Emeriti receive an annual retainer of \$7,000 and \$500 for each Board meeting attended, as well as reimbursement for any expenses incurred in connection with attendance at any meeting.

Report of the Compensation Committee

The overall objective of the Company's Board of Directors, and specifically this Compensation Committee, in setting compensation for UNITIL's executive officers is to foster excellence in the management of the assets of the Company. To help meet this objective, the Committee believes it is important for the Company to provide compensation to its executive officers which varies directly with the performance of the Company and to make payment of annual compensation with both cash and Company stock in place of all-cash.

Accordingly, the Company pays both "base" and "variable" compensation to its officers. The base component of compensation is determined under the UNITIL System's salary matrix which is reviewed from time to time by outside consultants as to its competitiveness. Variable compensation is based on factors that measure the success of the Company for any given year and is governed by the System's Management Performance Compensation Plan ("MPCP") and the profitability of the System's non-utility subsidiary, UNITIL Resources. The factors under the MPCP relate to the earnings of the Company and the rate of return achieved on shareholder-provided equity as well as cost control and the competitiveness of the rates charged to the UNITIL System's utility customers. (See "Other Compensation Arrangements" for a detailed discussion of these factors.) In addition, to further bolster ownership in the Company by the executive officers, the Company, in 1989, instituted a "Key Employee Stock Option Plan" with the approval of the Company's shareholders. This plan was tailored to emphasize dividend and stock value growth as a prerequisite to the maximization of value to the participants. (See "Other Compensation Arrangements" for a more detailed discussion of this plan.)

The compensation of the Chief Executive Officer ("CEO"), Peter J. Stulgis, is governed by these same plans and objectives. The base compensation for Mr. Stulgis was increased by approximately 3.1% in 1994 which reflected the percentage increase in the UNITIL System's salary matrix which covers all non-bargaining unit employees. The variable compensation paid to Mr. Stulgis in 1994 was based upon the UNITIL System's operating results for 1993 under the MPCP discussed above and a distribution from a performance pool related to the 1994 results of the System's newly formed non-utility subsidiary, UNITIL Resources. Under the MPCP, Mr. Stulgis received a payment in cash and Company stock which represented 23% of his total compensation. This MPCP payment is formula-driven and reflected the achievement in 1993 of earnings which were above target levels; a rate of return which was in the 72nd percentile of peer companies; cost control results which were at the 100th percentile of peer companies; and residential utility rates which were at the 93rd percentile of the peer group. The distribution from the UNITIL Resources 1994 performance pool was based upon its contribution to System earnings and was equal to 7.9% of his total compensation. In setting the compensation of Mr. Stulgis for 1994, the Committee independently reviewed the current compensation data for over fifty companies which included all of the companies used as the peer group in the Stock Performance Graph shown on the following page. Based upon this

review, the Committee found that the total compensation to be paid to the CEO fell within the same range of compensation paid to the CEO's of companies of like size, location and industry, and believes it was appropriately linked to corporate performance.

The Committee also approved the compensation of UNITIL's other executive officers for 1994 following the principles and procedures outlined in this report.

Compensation Committee Members

Charles H. Tenney II, Chairman
J. Parker Rice, Jr.
Endicott Smith

Stock Performance Graph and Information

COMPARATIVE FIVE-YEAR CUMULATIVE TOTAL RETURNS

Measurement Period (Fiscal Year Covered)	Total Peer Group	S&P 500	UNITIL Corporation
1989	\$100.00	\$100.00	\$100.00
1990	\$ 94.51	\$ 96.90	\$ 96.21
1991	\$123.64	\$126.36	\$115.30
1992	\$149.03	\$135.96	\$136.64
1993	\$150.73	\$149.69	\$157.96
1994	\$136.16	\$150.59	\$140.84

[GRAPH APPEARS HERE]

The graph to the left assumes \$100 invested on Decemebr 31, 1989, in each category and the reinvestment of all dividends during the period. The Peer Group is comprised of the 11 investor-owned New England electric utilities

Compensation of Officers

The tabulation below shows the compensation UNITIL, or any of its subsidiaries, has paid to its Chief Executive Officer and its most highly compensated officers whose total annual salary and bonus were in excess of \$100,000 during the year 1994.

SUMMARY COMPENSATION TABLE

Name and Principal Position (1) (a)	Year (b)	Annual Compensation		Other Annual Comp.(\$) (e)	Long-Term Compensation Awards Payouts			All Other Compensation (\$) (i)
		Salary (\$) (c)	Bonus (\$) (2) (d)		Restricted Stock Awards (\$) (f)	Option SARs Payouts (\$) (g)	LTIP Payouts (\$) (h)	
Peter J. Stulgis (3) Chairman of the Board & Chief Executive Officer	1994	\$208,300	\$94,394	-	-	-	-	\$16,760 (4)
	1993	202,00	74,307	-	-	-	-	
	1992	174,925	18,914	-	-	-	-	
Michael J. Dalton President & Chief	1994	\$159,600	\$61,932	-	-	-	-	\$16,575 (5)
	1993	155,000	50,216	-	-	-	-	

Operating Officer	1992	150,200	25,023	-	-	-	-	
Gail A. Siart (6)	1994	\$ 79,033	\$24,928	-	-	-	-	\$ 3,525 (7)
Chief Financial Officer,	1993	75,100	17,558	-	-	-	-	
Treasurer & Secretary	1992	68,80	8,099	-	-	-	-	
James G. Daly (6)	1994	\$ 76,517	\$29,128	-	-	-	-	\$ 3,717 (8)
Senior Vice President,	1993	72,150	21,216	-	-	-	-	
UNITIL Service	1992	68,075	4,813	-	-	-	-	
George R. Gantz (6)	1994	\$ 78,408	\$27,228	-	-	-	-	\$ 4,012 (9)
Senior Vice President,	1993	75,050	19,558	-	-	-	-	
UNITIL Service	1992	71,750	7,151	-	-	-	-	

NOTES:

- (1) Officers of the Company also hold various positions with subsidiary companies. Compensation for those positions is included in the above table.
- (2) Bonus amounts for the years 1993 and 1994 are comprised of Management Performance Compensation Program (MPCP) cash and stock awards (see "Other Compensation Arrangements") and distributions from the System's non-utility subsidiary, UNITIL Resources (see "Other Compensation Arrangements").
- (3) Mr. Stulgis was elected Chairman of the Board and named Chief Executive Officer in April, 1992.
- (4) All Other Compensation for Mr. Stulgis for the year 1994 includes the company's contribution to the Tax Qualified Savings and Investment Plan ("401(K)"), company funding of Supplemental Executive Retirement Plan ("SERP"), Supplemental Life Insurance payment, and Group Term Life Insurance payment, valued at \$4,500, \$5,410, \$6,136 and \$714, respectively.
- (5) All Other Compensation for Mr. Dalton for the year 1994 includes, 401(K) company contribution, company funding of SERP, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at \$4,500, \$7,968, \$2,558, and \$1,549, respectively.
- (6) Ms. Siart was named Chief Financial Officer of the Company and Senior Vice President of UNITIL Service in December 1994. Mr. Daly and Mr. Gantz were named Senior Vice Presidents of UNITIL Service in December, 1994.
- (7) All Other Compensation for Ms. Siart for the year 1994 includes 401(K) company contribution, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at \$3,016, \$369 and \$140, respectively.
- (8) All Other Compensation for Mr. Daly for the year 1994 includes 401(K) company contribution, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at \$3,067, \$517 and \$134, respectively.
- (9) All Other Compensation for Mr. Gantz for the year 1994 includes 401(K) company contribution, Supplemental Life Insurance payment and Group Term Life Insurance payment, valued at \$3,067, \$732 and \$214, respectively.

In 1988, in order to enhance quality of service and shareholder value, UNITIL adopted a management performance compensation program ("MPCP") for certain management employees, including Executive Officers. The MPCP provides for awards to be calculated annually and paid in a combination of cash and UNITIL Common Stock. Awards are based on the following criteria: (i) UNITIL's performance as measured by (a) the achievement of earnings per share sufficient to provide adequate coverage of common dividends paid, (b) return on common equity measured over a three-year performance period as compared to that achieved by a specified group of other electric utility companies, (c) cost per customer measured over a two-year performance period as compared to that of a specified group of other electric utility companies, and (d) residential electric rates measured over a one-year performance period as compared to residential electric rates of a specified group of other electric utility companies; and (ii) achievement of annual individual performance goals. Target incentive awards are established each year for individuals participating in MPCP and are calculated as a percentage of the individual's assigned base salary range midpoint. The target incentive awards for participants range from 10% to 25% of salary range midpoints. Depending on UNITIL meeting its objectives and the achievement of annual individual performance goals, individuals can receive from 0% of their target award to 150% of their target award. A discretionary award may also be made to certain management employees in recognition of their contribution

to the profitability of the System's non-utility subsidiary, UNITIL Resources. Amounts paid under these arrangements to Executive Officers during 1994 are shown in column (d) in the Summary Compensation Table shown on the preceding page.

In 1989, the shareholders ratified the Key Employee Stock Option Plan ("Option Plan"). The Option Plan is administered by a committee appointed by the Board of Directors which is comprised of members of the Board who are not eligible to receive grants under the Option Plan (the "Committee"). The Committee selects key management employees, including Executive Officers, of UNITIL and its subsidiaries who will receive grants under the Option Plan, the amount or number of shares of UNITIL Common Stock subject to each grant, the terms and conditions of each grant and whether and to what extent key employees who receive grants will be allowed or required to defer receipt of any grant upon the occurrence of specified events, subject to certain limitations contained in the Option Plan. The maximum exercise period for any option is ten years, and no options may be granted under the Option Plan more than ten years after its adoption.

Options granted under the Option Plan may be either incentive stock options or non-qualified stock options. The option price per share granted under the Option Plan is determined by the Committee, but will not be less than: (i) in the case of an incentive stock option, 100% of the fair market value of the shares of UNITIL Common Stock subject to the option as of the date the option is granted; and (ii) in the case of a non-qualified stock option, at least 85% of the fair market value of the shares of UNITIL Common Stock subject to the option as of the date the option is granted. For purposes of the Option Plan, "fair market value" means, as of the applicable date, the closing price of UNITIL Common Stock on the American Stock Exchange ("AMEX"), or, if no sales took place on such day, the closing price on the most recent day on which selling prices were quoted.

Upon the exercise of any option by an employee and upon payment of the option price for shares of UNITIL Common Stock as to which the option was granted (the "Primary Shares"), UNITIL will cause to be delivered to such employee (i) the Primary Shares and (ii) the number of shares of UNITIL Common Stock (the "Dividend Equivalent Shares") equal to the dollar amount of dividends which would have been paid on the Primary Shares (and previously accrued Dividend Equivalent Shares) had they been outstanding, divided by the fair market value of UNITIL Common Stock determined as of the record date for each dividend.

The Option Plan authorizes the Committee to provide in the award agreements that the participant's right to exercise the options provided for therein will be accelerated upon the occurrence of a "Change in Control" of UNITIL. The term "Change in Control" is defined in substantially the same manner as in the Severance Agreements, which are described below. All of the award agreements entered into with participants in the Option Plan to date contain such a "Change in Control" provision. Each award agreement also provides that, upon the exercise of an option on or after a Change in Control, UNITIL shall pay to the optionee, within five business days, a lump sum cash amount equal to the economic benefit of the optionee's outstanding options and associated dividend equivalents that the optionee would have received had the option remained unexercised until the day preceding the expiration of the grant.

The table below provides information with respect to options to purchase shares of the Company's Common Stock exercised in fiscal 1994 and the value of unexercised options granted in prior years under the Option Plan to the named executive officers in the Summary Compensation Table and held by them as of December 31, 1994. No options were granted in fiscal 1994 to any of the named Executive Officers. The Company has no compensation plan under which Stock Appreciation Rights (SARs) are granted.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR (FY) AND FY-END OPTION/SAR
VALUES

	Shares		Number of Unexercised Options/SARs at FY-End (#) (1)	Value of Unexercised In-the-Money Options/SARs at FY-End (\$)
	Acquired on Exercise	Value Realized		
Principal			Exercisable/	Exercisable/

(a)	(#) (b)	(\$) (c)	Unexercisable (d)		Unexercisable (e)	
Peter J. Stulgis	-	-	exercisable	24,000	exercisable	\$169,920
Chairman of the Board & Chief Executive Officer	-	-	unexercisable	0	unexercisable	\$0
Michael J. Dalton	-	-	exercisable	24,000	exercisable	\$165,360
President & Chief Operating Officer	-	-	unexercisable	0	unexercisable	\$0
Gail A. Siart	-	-	exercisable	2,078	exercisable	\$ 13,882
Chief Financial Officer, Treasurer & Secretary	-	-	unexercisable	0	unexercisable	\$0
James G. Daly	-	-	exercisable	2,032	exercisable	\$ 10,180
Senior Vice President, UNITIL Service	-	-	unexercisable	0	unexercisable	\$0
George R. Gantz	-	-	exercisable	2,078	exercisable	\$ 13,882
Senior Vice President, UNITIL Service	-	-	unexercisable	0	unexercisable	\$0

NOTES:

- (1) Amounts listed in column (d) in the table above do not include non-preferential dividend equivalents associated with options outstanding.

UNITIL maintains a tax-qualified defined benefit pension plan and related trust agreement (the "Retirement Plan"), which provides retirement annuities for eligible employees of UNITIL and its subsidiaries. Since the Retirement Plan is a defined benefit plan, no amounts were contributed or accrued specifically for the benefit of any officer of UNITIL under the Retirement Plan. Directors of UNITIL who are not and have not been officers of UNITIL or any of its subsidiaries are not eligible to participate in the Retirement Plan.

The table on the following page sets forth the estimated annual benefits (exclusive of Social Security payments) payable to participants in the specified compensation and years of service classifications, assuming continued active service until retirement. The average annual earnings used to compute the annual benefits are subject to a \$150,000 limit.

PENSION PLAN TABLE

Average Annual Earnings Used for Computing Pension	ANNUAL PENSION			
	10 Years of Service	20 Years of Service	30 Years of Service	40 Years of Service
\$100,000	20,000	40,000	50,000	55,000
125,000	25,000	50,000	62,500	68,750
150,000	30,000	60,000	75,000	82,500
175,000	35,000	70,000	87,500	96,250

The present formula for determining annual benefits under the Retirement Plan's life annuity option is (i) 2% of average annual salary (average annual salary during the five consecutive years out of the last twenty years of employment that give the highest average salary) for each of the first twenty years of benefit service, plus (ii) 1% of average annual salary for each of the next ten years of benefit service and (iii) 1/2% of average annual salary for each year of benefit service in excess of thirty, minus (iv) 50% of age 65 annual Social Security benefit (as defined in the Retirement Plan), and (v) any benefit under another UNITIL retirement plan of a former employer for which credit for service is given under the Retirement Plan. A participant is eligible for early retirement at an actuarially reduced pension upon the attainment of age 55 with at least 15 years of service with UNITIL or one of its subsidiaries. A participant is 100% vested in his benefit under the Retirement Plan after 5 years of service with UNITIL or one of its subsidiaries. As of January 1, 1995, Executive Officers Stulgis, Dalton, Siart, Daly and Gantz had 15, 27, 12, 6 and 11 credited years of service, respectively, under the Retirement Plan.

Effective January 1, 1987, UNITIL Service adopted a Supplemental Executive Retirement Plan ("SERP"), a non-qualified defined benefit plan. SERP provides for supplemental retirement benefits to executives selected by the Board of Directors of UNITIL Service (the "UNITIL Service Board"). At the present time, Messrs. Stulgis and Dalton are eligible for SERP benefits upon attaining normal or early retirement eligibility. The formula for determining annual benefits under SERP at normal retirement date is based on a participant's final average earnings less the participant's benefits payable under the Retirement Plan and less other retirement income payable to such participant by UNITIL. Early retirement benefits are available to a participant, with the UNITIL Service Board's approval, if the participant has attained age 55 and completed 15 years of service. The above computation is adjusted, if the participant has not attained age 62 by the early retirement date, by multiplying 60% of the participant's final average earnings by a fraction, the numerator of which is the years of actual service and the denominator of which is the service the participant would have completed if the participant had remained employed by UNITIL until age 62. Should a participant elect to begin receiving early retirement benefits under SERP prior to attaining age 62, the benefits are reduced by 2% for each year that commencement of benefits precedes attainment of age 62. If a participant terminates employment for any reason prior to retirement (as defined in the SERP), the participant will not be entitled to any benefits under the SERP. A participant receiving benefits or entitled to receive benefits will forfeit his benefits if he engages in competition with UNITIL Service or is discharged for cause or performs acts of willful malfeasance or gross negligence in a matter of material importance to UNITIL Service. Benefits under the SERP are to be paid from the general assets of UNITIL Service. Under the SERP, Messrs. Stulgis and Dalton would be entitled to receive an annual benefit of \$71,401 and \$64,187, respectively, assuming their normal retirement at age 65 and that their final average earnings are equal to the average of their respective three consecutive years of highest compensation prior to the date hereof.

In 1988, UNITIL and certain subsidiaries entered into severance agreements (the "Severance Agreements") with certain management employees, including Executive Officers, of UNITIL and its subsidiaries. The Severance Agreements are intended to help assure continuity in the management and operation of UNITIL and its subsidiaries in the event of a proposed "Change in Control". Each Severance Agreement only becomes effective upon the occurrence of a Change in Control of UNITIL as defined below. Upon the effectiveness of the Severance Agreements, each employee's stipulated compensation and benefits, position, responsibilities and other conditions of employment may not be reduced during the thirty-six month period following a Change in Control. In the event of such a reduction, the employee is entitled to a severance benefit which is described hereafter. A "Change in Control" is defined as occurring when (i) UNITIL receives a report on Schedule 13D filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, disclosing that any person, group, corporation, or other entity (except UNITIL or a wholly-owned subsidiary of UNITIL), is the beneficial owner, directly or indirectly, of 25% or more of UNITIL Common Stock; (ii) any person, group, corporation, or other entity (except UNITIL or a wholly-owned subsidiary of UNITIL), after purchasing UNITIL Common Stock in a tender offer or exchange offer, becomes the beneficial owner, directly or indirectly, of 25% or more of UNITIL Common Stock; (iii) the shareholders of UNITIL approve any consolidation or merger in which UNITIL is not the continuing or surviving corporation or pursuant to which the shares of UNITIL Common Stock would be converted into cash, securities or other property or any sale, exchange or other transfer of all or substantially all of UNITIL's assets; or (iv) there is a change in a majority of the members of the UNITIL Board of Directors within a twenty-five month period unless approved by two-thirds of the Directors then still in office who were in office at the beginning of the twenty-five month period.

In the event of a Change in Control each Severance Agreement further provides that in the event (i) the employee's employment is terminated by UNITIL, or the appropriate subsidiary, with the exception of a termination because of the employee's acceptance of a position with another company or for cause (as defined in the Severance Agreement); or (ii) the employee terminates employment

due to (a) reduction in the employee's position and responsibilities with UNITIL, or the appropriate subsidiary, (b) reduction in the employee's total compensation, (c) assignment to a location more than fifty miles from the employee's current place of employment, (d) liquidation, merger, or sale of all the assets of UNITIL, unless the successor corporation has a net worth at least equal to that of UNITIL and assumes UNITIL's obligations under the Severance Agreements, or (e) any other material breach of the Severance Agreement by UNITIL, or the appropriate subsidiary, the employee is entitled to a severance benefit. The amount payable to the employee upon the occurrence of any of the foregoing events is a lump sum cash amount, payable within five business days of such termination (with the exception noted below), equal to (i) the present value of three years' base salary and bonus; (ii) the present value of the additional amount the employee would have received under the Retirement Plan if the employee had continued to be employed for such thirty-six month period; (iii) the present value of contributions that would have been made by UNITIL or its subsidiaries under the TDSIP if the employee had been employed for such thirty-six month period; and (iv) the economic benefit on any outstanding UNITIL stock options and associated dividend equivalents, assuming such options remained unexercised until the day preceding the expiration of the grant, including the spread on any stock options that would have been granted under the Option Plan if the employee had been employed for such thirty-six month period. Generally, the spread on any stock options which would have been granted under the Option Plan shall be paid within five business days after the expiration of the thirty-six month period. Each Severance Agreement also provides for the continuation of all employee benefits for a period of thirty-six months, commencing with the month in which the termination occurred. In addition, pursuant to each Severance Agreement, UNITIL is required to make an additional payment to the employee sufficient on an after-tax basis to satisfy any additional individual tax liability incurred under Section 280G of the Internal Revenue Code of 1986, as amended, in respect to such payments.

AS TO OTHER MATTERS TO COME BEFORE THE MEETING

The Board of Directors does not intend to bring before the meeting any matters other than the one referred to above and knows of no other matters which may properly come before the meeting. If any other matters or motions come before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote such proxy in accordance with their judgment on such matters or motions, including any matters dealing with the conduct of the meeting.

The Board of Directors has selected and employed the firm of Grant Thornton as UNITIL's independent certified public accountants to audit UNITIL's financial statements for the fiscal year 1995. A representative of the firm will be present at the meeting and will be available to respond to appropriate questions. It is not anticipated that such representative will make a prepared statement at the meeting; however, he will be free to do so if he so chooses.

Any proposal submitted by a shareholder of UNITIL for inclusion in the proxy material for the 1996 annual meeting of shareholders must be received by UNITIL at its office in Exeter, New Hampshire, not later than December 20, 1995.

Solicitation, Revocation and Use of Proxies

Shares of UNITIL Common Stock represented by properly executed proxies received by UNITIL prior to or at the meeting will be voted at the meeting in accordance with the instructions specified on the proxies. If no instructions are specified on such proxies, shares will be voted FOR the election of the nominees for Directors. Abstentions and non-votes will have the same effect as negative votes.

Any UNITIL shareholder who executes and returns a proxy has the power to revoke such proxy at any time before it is voted by filing with the Secretary of UNITIL, at the address of UNITIL set forth above, written notice of such revocation or a duly executed

proxy bearing a later date, or by attending and voting in person at the meeting. Attendance at the meeting will not in and of itself constitute a revocation of a proxy.

UNITIL will bear the costs of solicitation by the Board of Directors of proxies from UNITIL shareholders. In addition to the use of the mail, proxies may be solicited by the Directors, officers and employees of UNITIL by personal interview, telephone, telegram or otherwise. Such Directors, officers and employees will not be additionally compensated, but may be reimbursed for out-of-pocket expenses in connection with such solicitation. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation material to the beneficial owners of stock held of record by such persons, and UNITIL may reimburse such custodians, nominees and fiduciaries for reasonable out-of-pocket expenses in connection therewith.

By Order of the Board of Directors,

Gail A. Siart
Secretary

UNITIL will furnish without charge to any shareholder entitled to vote and to any beneficial owner of shares entitled to be voted at the annual meeting of common shareholders, to be held April 20, 1995, a copy of its annual report on Form 10-K, including financial statements and schedules thereto, required to be filed with the Securities and Exchange Commission for the fiscal year 1994, upon written request to Gail A. Siart, Chief Financial Officer, UNITIL Corporation, 216 Epping Road, Exeter, New Hampshire 03833-4571.

CONCORD ELECTRIC COMPANY
TO
THE FIRST NATIONAL BANK OF BOSTON, TRUSTEE

EIGHTH
SUPPLEMENTAL INDENTURE

Dated as of October 14, 1994

Additional Issue (Series I, 8.49%,
due October 14, 2024)

\$6,000,000

Recorded Merrimack County Registry of Deeds
Book , Page , October 14, 1994, : A.M.

THIS SUPPLEMENTAL INDENTURE, dated and entered into as of October 14, 1994, by and between Concord Electric Company, a corporation duly organized and existing under the laws of The State of New Hampshire (hereinafter commonly referred to as the "Company") (its Federal tax identification number being 02-0121400) and The First National Bank of Boston, a national banking association, as successor Trustee under the Indenture of Mortgage and Deed of Trust referred to in the first recital hereof (hereinafter, together, as appropriate, with Old Colony Trust Company, the original Trustee under the said Indenture, commonly referred to as the "Trustee") (its Federal tax identification number being 04-2472499);

WITNESSETH:

WHEREAS, the Company heretofore duly executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust (hereinafter generally referred to as the "Original Indenture" and sometimes referred to, with each and every other instrument, including this Supplemental Indenture, which the Company may execute with the Trustee and which is therein stated to be supplemental to the Original Indenture, as the "Mortgage"), dated as of July 15, 1958, but actually executed on September 18, 1958, and recorded, among other places, in Merrimack County, New Hampshire, Registry of Deeds, Volume 832, Page 96, and in the Office of the City Clerk of the City of Concord, New Hampshire, Volume 188, Page 156 and duly recorded First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplemental Indentures thereto dated as of January 15, 1968, as of November 15, 1971, as of July 1, 1975, as of March 28, 1984, as of June 1, 1984, as of October 29, 1987, and as of August 29, 1991, respectively, to which this instrument is supplemental and in modification and confirmation thereof, whereby substantially all the properties of the Company used by it in its electric business, whether then owned or thereafter acquired, with certain exceptions and reservations fully set forth in the Mortgage were given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed to the Trustee, its successors and assigns, in trust upon the terms and conditions set forth therein to secure bonds of the Company issued and to be issued thereunder, and for other purposes more particularly specified therein; and

WHEREAS, on January 4, 1971 Old Colony Trust Company was merged into The First National Bank of Boston, which thereupon succeeded to the trust under the Mortgage; and

WHEREAS, there are now outstanding under the Mortgage

\$1,584,000 in principal amount of First Mortgage Bonds, Series C, \$930,000 in principal amount of First Mortgage Bonds, Series D, \$500,000 in principal amount of First Mortgage Bonds, Series G, and \$6,500,000 in principal amount of First Mortgage Bonds, Series H, and the Company proposes to issue \$6,000,000 in principal amount of additional First Mortgage Bonds of a new series designated as First Mortgage Bonds, Series I (hereinafter sometimes referred to as "Series I bonds" or "bonds of Series I"); and

WHEREAS, all things have been done and performed which are necessary to make the Series I bonds, when authenticated by the Trustee and issued as in the Original Indenture and herein provided, legal, valid and binding obligations of the Company;

NOW, THEREFORE, in consideration of the premises, and of the acceptance and purchase of the Series I bonds by the holder thereof, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Original Indenture and the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplemental Indentures and in performance of and compliance with the provisions thereof, the Company, by these presents, does give, grant, bargain, sell, warrant, pledge, assign, transfer, mortgage and convey unto the Trustee, as provided in the Mortgage, and its successor or successors in the trust thereby and hereby created, and its and their assigns, all and singular, the property, and rights and interests in property, described in the Original Indenture and the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplemental Indentures and thereby conveyed, pledged, assigned, transferred and mortgaged, or intended or required so to be (said descriptions in the Original Indenture and the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplemental Indentures being hereby made a part hereof to the same extent as if set forth herein at length), whether then or now owned or thereafter or hereafter acquired, except such of said properties or interests therein as may have been released by the Trustee or sold or disposed of in whole or in part as permitted by the provisions of the Mortgage and also, but without in any way limiting the generality of the foregoing, all the rights, titles, interests, easements and properties described in Schedule A hereto attached and hereby made a part hereof as fully as if set forth herein at length, and all proceeds of any of the foregoing at any time conveyed, pledged, assigned, transferred, mortgaged, paid or delivered to and from time to time held by the Trustee upon the trusts of the Mortgage.

SUBJECT, HOWEVER, insofar as affected hereby, to any permitted encumbrances as defined in Section 1.01 of the Original Indenture, and, as to the property specifically described in Schedules A of the Original Indenture and the First, Second, Third, Fifth, Sixth and Seventh Supplemental Indentures and in Schedule A hereof, to the liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof contained in said Schedules, none of which substantially interferes with the free use and enjoyment by the Company of the property and rights hereinabove described for the general purposes and uses of the Company's electric business;

AND SUBJECT FURTHER, as to all hereafter-acquired property, insofar as affected thereby, to any mortgages, encumbrances or liens on such after-acquired property existing at the time of such acquisition or contemporaneously created, conforming to the provisions of Section 8.07 of the Original Indenture;

BUT SPECIFICALLY RESERVING, EXCEPTING AND EXCLUDING from this instrument, and from the grant, conveyance, mortgage, transfer and assignment herein contained, all right, title and interest of the Company, now owned or hereafter acquired in and to properties and rights of the kind specified in subclauses (a) to (d), both inclusive, of the granting clauses, on pages 25-26, of the Original Indenture (as amended by Section 4.03A of the Fourth Supplemental Indenture.

TO HAVE AND TO HOLD the trust estate, with all of the privileges and appurtenances thereunto belonging, unto the Trustee, its successors in the trusts of the Mortgage, and its and their assigns, to its and their own use, forever;

BUT IN TRUST NEVERTHELESS, upon the terms and trusts set

forth in the Mortgage, for the equal pro rata benefit, security and protection (except as provided in Section 8.14 of the Original Indenture and except insofar as a sinking, improvement and analogous fund or funds, established in accordance with the provisions of the Original Indenture, or any indenture supplemental thereto, may afford particular security for bonds of one or more series) of the bearers and the registered owners of the bonds from time to time authenticated, issued and outstanding under the Mortgage, and the bearers of the coupons appertaining thereto, without (except as aforesaid) any preference, priority or distinction whatever of any one bond over any other bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

PROVIDED, HOWEVER, and these presents are upon the condition, that, if the Company shall pay or cause to be paid the principal of and premium, if any, and interest on the bonds at the times and in the manner therein and in the Mortgage provided, and shall keep, perform and observe all and singular the covenants, agreements and provisions in the bonds and in the Mortgage expressed to be kept, performed and observed by or on the part of the Company, then this Supplemental Indenture and the estate and rights hereby granted shall, pursuant to the provisions of Article Thirteen of the Original Indenture, cease, determine and be void, but otherwise shall be and remain in full force and effect.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions, viz.:

ARTICLE ONE

Series I Bonds

Section 1.01. There shall be and is hereby created an additional series of bonds designated as and entitled "First Mortgage Bonds, Series I". Series I bonds shall be fully registered bonds without coupons, of the denomination of \$1,000 and multiples thereof. The bonds of Series I originally issued shall be dated the date of such issue and any bonds of Series I subsequently issued under the provisions of Sections 2.09, 2.11, 2.12 and 7.05 of the Original Indenture and of Section 1.07 hereof shall be dated as provided in Section 2.04 of the Original Indenture. All Series I bonds shall mature on October 14, 2024, and shall bear interest at the rate of Eight and Forty-Nine Hundredths Percent (8.49%) per annum from their respective dates, such interest to be payable semiannually on the fourteenth day of April and the fourteenth day of October in each year commencing the fourteenth day of April, 1995, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 9.49% per annum. The principal of, premium, if any, and interest on bonds of Series I shall be payable at the principal corporate trust office of The First National Bank of Boston, Boston, Massachusetts, or at the principal corporate trust office of its successors as Trustee hereunder, in lawful money of the United States of America provided that, the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series I providing that payment of interest thereon and of the redemption price of any portion of the principal amount thereof (including premium, if any) which may be called for redemption shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series I to the Trustee, provided that (A) there shall have been filed with the Trustee a copy of such agreement and (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bond of Series I in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon any such bond instrument to be transferred, or (ii) such bond of Series I shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series I shall have been surrendered in exchange for a new bond or bonds of Series I for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Mortgage. For purposes of

this Section 1.01, the term "Institutional Holder" shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined by ERISA) or other institutional investor or financial institution. The text of the bonds of Series I and of the Trustee's Certificate with respect to Series I bonds shall be respectively substantially of the tenor and purport set forth in Schedule B hereto. The bonds of Series I shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series I hereunder is hereby limited to the \$6,000,000 in aggregate principal amount of Series I bonds initially issued as provided in Section 1.08 hereof and to Series I bonds issued in exchange or substitution for outstanding Series I bonds under the provisions of Sections 2.09, 2.11, 2.12 and 7.05 of the Original Indenture and Section 1.07 hereof (except that despite the provisions of Section 2.09 of the Original Indenture, no bonds of Series I may be converted from registered to coupon form).

Section 1.02. As a required sinking fund for the benefit of the Series I bonds, the Company covenants that it will, on October 13 in each year, beginning on October 13, 2015, and continuing to and including October 13, 2024, pay to the Trustee immediately available funds sufficient to redeem, at par, Series I bonds then outstanding, in the principal amount of Six Hundred Thousand Dollars (\$ 600,000)(or the remaining principal amount if less than \$600,000 principal amount of Series I bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Eighth Supplemental Indenture referred to as "required sinking fund payments" and the day following each such payment is herein and therein referred to as a "required sinking fund redemption date".

No redemption under Section 1.03, 1.04, 1.05 or 1.06 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series I bonds shall have been paid in full.

Section 1.03. At the same time it makes any required sinking fund payment, the Company shall have the option (which shall be non-cumulative) to pay to the Trustee, in immediately available funds, an additional principal amount of Six Hundred Thousand Dollars (\$600,000)(in this Section 1.03 and elsewhere in this Eighth Supplemental Indenture referred to as an "optional sinking fund payment"), provided, that the cumulative amount of all optional sinking fund payments pursuant to this Section 1.03 shall not exceed One Million Two Hundred Thousand Dollars (\$1,200,000) and each such optional sinking fund payment shall be applied to the redemption of Series I bonds on the required sinking fund redemption date for such sinking fund payment. The Company will give notice, by registered mail, postage prepaid, to the Trustee and to each registered owner of a bond of Series I of any required or optional payment to be made pursuant to Section 1.02 or this Section 1.03 or Section 1.04 hereof not more than 60, nor less than 30, days prior to the required sinking fund redemption date (or other designated date of redemption in the case of a redemption pursuant to Section 1.04).

Section 1.04. In addition to the required and optional sinking funds provided by Sections 1.02 and 1.03 hereof, all of the bonds of Series I, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after October 14, 1994 and before October 14, 2019, pursuant to the provisions of Article Seven of the Original Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.04. In addition to the foregoing, on any date on or after October 14, 2019, all of the bonds of Series I, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the principal amount of the bond or bonds optionally to be redeemed, plus interest accrued thereon to the date fixed for such redemption plus a premium equal to the applicable percentage of the principal amount thereof as follows:

Date Fixed for Redemption

Premium

If redeemed on or after October 14, 2019 and before October 14, 2020101.5%
On or after October 14, 2020 and before October 14, 2021101.0%
On or after October 14, 2020 and before October 14, 2022100.5%
On or after October 14, 2020 and prior to maturity	100.0%

For purposes of this Section 1.04, the Make Whole Amount shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being prepaid (taking into account each redemption required by Section 1.02 above), and (B) the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus interest accrued to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

"Reinvestment Rate" shall mean the sum of (i) 0.50% plus (ii) the arithmetic mean of the yields for the two columns under the heading "Week Ending" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the published maturity next longer than the Weighted Average Life to Maturity and for the published maturity next shorter than the Average Weighted Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

"Statistical Release" shall mean the then most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66 2/3% in aggregate principal amount of outstanding Series I bonds.

"Weighted Average Life to Maturity" of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal. The term "Remaining Dollar-Years" of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Section 1.02 if the redemption pursuant to this Section 1.04 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Section 1.02 after giving effect to the redemption pursuant to this Section 1.04, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Section 1.02 and (ii) totaling the products obtained in (i).

Section 1.05. Series I bonds which may be redeemed pursuant to Article Eleven of the Original Indenture (i) out of release

moneys or other trust moneys required by Section 8.12 of the Original Indenture to be deposited with the Trustee, may be redeemed on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of release moneys or other trust moneys required by Sections 8.10, 10.03 or 10.04 of the Original Indenture to be deposited with the Trustee, may be redeemed on any date and, if redeemed prior to October 14, 2019, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.04, and if they shall be so redeemed on any date on or after October 14, 2019, then they shall be redeemed for an amount equal to the interest accrued the principal amount of the bond or bonds to be redeemed to the date fixed for such redemption plus an amount equal to the applicable percentage of the principal amount thereof set forth in Section 1.04, above, for optional redemptions occurring on or after October 14, 2019.

Section 1.06. In the event that all or any part of the bonds of Series I shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series I shall be entitled to be paid thereafter an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to October 14, 2019, or, if such redemption occurs on or after October 14, 2019, then the registered owners of such bonds shall be entitled to be paid thereafter an amount equal to the interest accrued on the principal amount of the bonds to be redeemed to the date of redemption, plus an amount equal to the then applicable percentage of the principal amount thereof provided in Section 1.04, above, for optional redemptions on or after such date.

Section 1.07. Bonds of Series I, upon surrender thereof at the principal corporate trust office of the Trustee, may be exchanged for the same aggregate principal amount of other fully registered bonds of that Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series I, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

Section 1.08. Upon the execution of this Eighth Supplemental Indenture and upon compliance with all applicable provisions of Articles Four and Five of the Original Indenture, the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the order of the Company, bonds of Series I in the form of registered bonds without coupons in the aggregate principal amount of Six Million Dollars (\$6,000,000).

ARTICLE TWO

Redemption

Section 2.01. In the case of any required or optional sinking fund redemption pursuant to Sections 1.02 and 1.03 hereof, forthwith after the September 14 preceding each required sinking fund payment date, and in the case of any proposed redemption pursuant to Sections 1.04 or 1.05, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, pursuant to the provisions of Article Seven of the Original Indenture, shall

(a) select for redemption a principal amount of bonds of Series I equal to the amount to be redeemed on the next ensuing required sinking fund redemption date or designated optional redemption date, as the case may be, so that the principal amount to be redeemed of bonds of such series then held by each holder shall bear the same ratio to the total principal amount of all bonds of such series then to

be redeemed as the total principal amount of all bonds of such series then held by such holder bears to the total principal amount of all bonds of such series then outstanding;

(b) notify the Company of the bonds of Series I to be so redeemed; and

(c) give notice of redemption of such bonds of Series I, as provided in Sections 7.02, 7.03, 7.04 and 7.05 of the Original Indenture, to take effect on the then ensuing required sinking fund redemption date or other applicable date of redemption for such bonds of Series I.

The Company covenants that it will pay to the Trustee

i) on or before the day prior to each required sinking fund payment date, the sum required by Section 1.02 hereof, plus the sum, if any, payable in accordance with any notice of optional redemption delivered prior to such required sinking fund payment date pursuant to Section 1.03 hereof, and

ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article Seven of the Original Indenture) of any redemption pursuant to Section 1.04 or 1.05 hereof, the principal amount payable in accordance with such notice.

At the time of each required sinking fund redemption or other redemption the Company shall pay to the Trustee the amount of the charges which shall be due the Trustee and the amount of expenses which the Trustee advises the Company it has incurred or will incur in connection with such redemption.

ARTICLE THREE

Covenants of the Company

Section 3.01. The Company covenants that it will not declare or pay dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of, or make any other distribution through reduction of capital or otherwise, in respect of, any shares of its common stock if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 1993, plus the amount of all dividends declared or accrued on any class of preferred stock of the Company subsequent to December 31, 1993, and any amounts charged to net income after December 31, 1993 in connection with the purchase or retirement of any shares of preferred stock of the Company would exceed an amount equal to net income of the Company available for dividends after December 31, 1993, plus the sum of \$4,400,000.

The term "net income" as applied to any period shall mean the net income (or deficit) of the Company for such period properly transferable to its earned surplus, all computed, if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises, in accordance with such uniform system; otherwise in accordance with accepted accounting practice, and in any event by deducting from the aggregate gross revenues of the Company for such period all expenses required to be deducted in computing earnings available for interest charges for such period in accordance with Section 4.02B of the Original Indenture (as amended by Section 1.01 of the Fourth Supplemental Indenture), and also by deducting all interest requirements, taxes, amortization of debt discount and expense and other deferred charges, and all other non-operating expenses for such period.

ARTICLE FOUR

Amendments to Original Indenture

Section 4.01. Section 14.03 of the Original Indenture is hereby amended to read in its entirety as follows:

If default occurs in payment of principal, premium or interest due hereunder, the Company covenants that it will pay or cause to be paid interest upon overdue principal, premium and interest, to the extent permitted by law, at the greater of (i) six percent (6%) per annum and (ii) the rate specified in the supplemental indenture creating the series of bonds in questions or, if no such rate is specified therein, then the rate of interest payable on the bonds of the series in question plus one percent (1%).

Section 4.02. Section 4.04 of the Original Indenture, as amended by Section 4.01 of the Second Supplemental Indenture dated as of November 15, 1971, is hereby amended in order to clarify the meaning thereof by inserting the words "as shown by the" after the word "charges" and before the word "certificate" in the sixth line thereof, and by inserting the word "are" after the word "hereof" and before the word "equal" in the seventh line thereof, so that as amended such Section shall read in its entirety as follows:

Section 4.04. Additional Bonds of any series other than Series A, Series B and Series C may be issued hereunder to the extent of sixty per cent (60%) of net bondable expenditures for property additions as shown by the certificate of net bondable expenditures required by subparagraph (1) of Section 4.05 hereof provided that the earnings available for interest charges as shown by the certificate required by subparagraph (3) of said Section 4.05 hereof are equal at least to two (2) times the annual interest requirements stated in such certificate.

Section 4.03. The Series I Bonds issued under this Eighth Supplemental Indenture are subject not only to the terms of the Original Indenture but also to all amendments to the Original Indenture set forth in supplemental indentures thereto, including, without limitation, pursuant to the Fourth Supplemental Indenture dated as of March 28, 1984.

ARTICLE FIVE Miscellaneous Provisions

Section 5.01. The Company covenants that, except as to that part of the trust estate which may hereafter be acquired by it, it is now well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Eighth Supplemental Indenture and to subject such physical properties to the lien of the Original Indenture as heretofore and hereby supplemented; and that, subject to the provisions of the Original Indenture as heretofore and hereby supplemented, it has and will preserve good and indefeasible title to all such physical properties and will warrant and forever defend the same to the Trustee against the claims of all persons whomsoever.

Section 5.02. The use of terms and the construction of the provisions hereof shall be in accordance with the definitions, uses and constructions contained in the Original Indenture as heretofore and hereby supplemented.

Section 5.03. The Trustee shall be entitled to, may exercise and shall be protected by, where and to the full extent that the same are applicable, with respect to the Series I bonds herein provided for, all the rights, powers, privileges, immunities and exemptions provided in the Original Indenture as so supplemented as if the provisions concerning the same were incorporated herein at length. The Trustee under the Original Indenture shall ex officio be Trustee hereunder. The recitals and statements in this Eighth Supplemental Indenture and in the Series I bonds (other than the Trustee's Certificate attached thereto) shall be taken as statements by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Supplemental Indenture or of the Series I bonds, and the Trustee makes no covenant or representation, and shall not be responsible, as to and for the effect, authorization, execution, delivery or recording of this Eighth Supplemental Indenture. The Trustee

shall not be taken impliedly to waive by this Eighth Supplemental Indenture any right it would otherwise have. As provided in the Original Indenture, this Eighth Supplemental Indenture shall hereafter form a part of the Original Indenture as heretofore supplemented.

The remedies and provisions of the Original Indenture as so supplemented applicable in case of any default by the Company thereunder are hereby adopted and made applicable in case of any default with respect to the properties included herein and, without limitation of the generality of the foregoing, there are hereby conferred upon the Trustee the same powers of sale and other powers over the properties described herein as are expressly to be conferred by the Original Indenture as heretofore supplemented.

Section 5.04. This Eighth Supplemental Indenture shall become void when the Original Indenture shall be void.

Section 5.05. This Eighth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.06. The cover of this Supplemental Indenture and all article and descriptive headings herein are inserted for convenience only, and shall not affect any construction or interpretation hereof.

IN WITNESS WHEREOF, Concord Electric Company has caused this instrument to be executed in its corporate name by its president, one of its Vice Presidents or its Treasurer and its corporate seal to be hereunto affixed and to be attested by the Secretary of the Board of Directors or its Secretary, and The First National Bank of Boston, to evidence its acceptance of the trust hereby created, has caused this instrument to be executed in its corporate name and its corporate seal to be hereunto affixed by one of its Authorized Officers, all as of the day and year first above written.

Attest: CONCORD ELECTRIC COMPANY

Gail A. Siart By: Mark H.Collin
Secretary Treasurer

(Corporate Seal)

Signed, sealed and delivered by
Concord Electric Company
in the presence of us:

Sandra L. Walker

Ellen L. Belanger

THE FIRST NATIONAL BANK OF BOSTON,
Trustee

By: __Sean P. George_____
Authorized Officer

(Corporate Seal)

Signed, sealed and delivered by
The First National Bank of Boston
in the presence of us:

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM, SS.

On this 13th day of October, 1994, before me personally appeared Mark H. Collin, to me personally known, who, being by me duly sworn, did say that he is the Treasurer of Concord Electric

Company, that the seal affixed to the foregoing instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors; and the said Mark H. Collin acknowledged said instrument to be the free act and deed of said corporation.

Wilbur R. Ralph
Notary Public
My commission Expires:

(Notarial Seal)

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF SUFFOLK, ss.

On this 12th day of October, 1994, before me personally appeared J. E. Mogavero, to me personally known, who being by me duly sworn, did say that she is an Authorized Officer of The First National Bank of Boston, and that the foregoing instrument was signed by her on behalf of said Bank by authority of its Board of Directors; and the said acknowledged said instrument to be the free act and deed of said Bank.

Shawn Patrick George
Notary Public
My Commission Expires:

(Notarial Seal)

ENDORSEMENT

The First National Bank of Boston, Trustee, being the Mortgagee under the foregoing Eighth Supplemental Indenture, hereby consents to the cutting of any timber standing upon any of the lands conveyed by the said Eighth Supplemental Indenture and to the sale of any such timber so cut as well as any personal property conveyed by said Eighth Supplemental Indenture to the extent, but only to the extent, that such cutting and sale is permitted under the provisions of the Mortgage referred to in said Eighth Supplemental Indenture.

Dated: Boston, Massachusetts, October 12, 1994.

THE FIRST NATIONAL BANK OF BOSTON,
Trustee

By: _____
Authorized Officer

Signed on behalf of The First
National Bank of Boston in the
presence of us:

CONCORD ELECTRIC COMPANY Eighth SUPPLEMENTAL INDENTURE SCHEDULE A

Description of Certain Land and Easements
Acquired by the Company since August 29, 1991*

I. PARCELS ACQUIRED

None since date set forth above.

II. EASEMENTS AND RIGHTS ACQUIRED FOR TRANSMISSION LINE PURPOSES

None since date set forth above.

III. LEASEHOLD INTEREST

Acquired a leasehold interest in a certain parcel of land
located on the southerly side of U.S. Route 4 in Epsom, New

Hampshire for use as a step-down transformer location, a "mobil sub", and any appurtenant equipment necessary or convenient for the operation thereof pursuant to a Lease Agreement between Dennis Nolin and David Pauliotte and Concord Electric Company dated May 28, 1993 and recorded in the Merrimack County Registry of Deeds, Book 1917, Page 1853, for a term of five years and a renewal option for an additional five year term.

* All conveyances relate to premises located in Merrimack County, New Hampshire and all recording references are to records on file at the Merrimack County Registry of Deeds, Concord, New Hampshire.

Description of Certain Land and Easement
Conveyed by the Company since August 29, 1991 (1)

I. PARCELS CONVEYED

Conveyed to the State of New Hampshire by condemnation a tract of land located on the southerly side of Route 4 in the Town of Chichester, County of Merrimack, dated September 4, 1991 and recorded in Merrimack County Registry of Deeds, Book 1866, Page 1358.

II. EASEMENTS AND OTHER RIGHTS CONVEYED

Conveyed a Thirty (30) foot right of way to NE Tel. and Tel. Co. by Quitclaim deed dated February 3, 1992. Property located at Penacook Substation on the northerly side of Abbot Road and recorded in Merrimack County Registry of Deeds in Book 1876, Page 0739.

(1) All conveyances relate to premises in Merrimack County, New Hampshire, and all recording references are to records at the Merrimack County Registry of Deeds, Concord, New Hampshire.

SCHEDULE B

(Form of Series I Fully Registered Bond without Coupons)

No. IR \$

CONCORD ELECTRIC COMPANY

FIRST MORTGAGE BOND, Series I, 8.49%

DUE OCTOBER 14, 2024

Concord Electric Company, a corporation of the State of New Hampshire (hereinafter called the "Company"), for value received, hereby promises to pay to , or registered assigns, on the fourteenth day of October, 2024, the principal sum of Dollars (\$) and to pay interest thereon from the date hereof at the rate of eight and forty-nine hundredths per centum (8.49%) per annum (computed on the basis of a thirty (30) day month and a three hundred sixty (360) day year) payable semiannually on the first day of April and the first day of October in each year, commencing with the first day of April, 1995, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest at the rate of 9.49% per annum. The principal of, premium, if any, and the interest on this bond shall be payable at the principal corporate trust office of The First National Bank of Boston, in Boston, Massachusetts, or at the principal corporate trust office of its successor as Trustee of the trust hereinafter referred to, or at the option of certain holders in accordance with the provisions of Section 1.01 of the Eighth Supplemental Indenture hereinafter

referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series I, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of July 15, 1958 (herein called the "Original Indenture") duly executed and delivered by the Company to Old Colony Trust Company (The First National Bank of Boston being successor Trustee and together with Old Colony Trust Company being called the "Trustee"), to which Original Indenture and to all Indentures supplemental thereto, including an Eighth Supplemental Indenture dated as of October 14, 1994 (herein together called the "Indenture") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series I are entitled to the benefit of a required sinking fund and an optional sinking fund provided for in the Indenture and shall become subject to redemption for the purposes of such sinking funds at the principal amount thereof without premium, plus interest accrued thereon to the date of such redemption, all on the conditions and in the manner provided in the Indenture.

Bonds of this Series I are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.04 of the Indenture.

On the conditions and in the manner provided in the Section 1.05 of the Indenture, Series I bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.05, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series I shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series I bonds shall be entitled to be paid therefor an amount specified in Section 1.06 of the Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series I bonds, or of any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision thereof made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture.

In case an event of default, as defined in the Indenture,

occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Bonds of Series I upon surrender thereof at said office may be exchanged for the same aggregate principal amount of fully registered bonds of Series I of another authorized denomination or other authorized denominations, all-upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, any of the provisions of the Indenture or of any instrument supplemental thereto may be modified by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, provided, however, that no such modification shall (i) extend the time or times or payment of the principal of, or the interest or premium, if any, on any bond, (ii) reduce the principal amount thereof or the rate of interest or premium thereon, (iii) authorize the creation of any lien prior or equal to the lien of the Indenture upon any property subject to the lien thereof, or deprive any bondholder of the benefit of the lien of the Indenture, (iv) affect the rights under the Indenture of the holders of one or more, but less than all, of the series of bonds outstanding thereunder unless assented to by the holders of seventy-five per centum (75%) in aggregate principal amount of bonds outstanding thereunder of each of the series so affected, (v) reduce the percentage of bonds, the holders of which are required to assent to any such modification, or (vi) in any manner affect the rights or obligations of the Trustee without its written consent thereto.

No recourse shall be had for the payment of the principal of or the interest on this bond or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment of penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Concord Electric Company has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer or one of its Assistant Treasurers, and this bond to be dated the day of , 1994.

CONCORD ELECTRIC COMPANY

By _____
President

(Corporate Seal)

ATTEST: _____
Treasurer

(Form of Trustee's Certificate for all Bonds of Series I)

This is one of the First Mortgage Bonds, Series I, referred to in the within mentioned Indenture.

THE FIRST NATIONAL BANK OF BOSTON
Trustee

By: _____
Authorized Officer

(Form of Notation of Payments on Account of Principal)

PAYMENTS ON ACCOUNT OF PRINCIPAL

Date	Amount Paid	Signature

(Form of Endorsement)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

Dated: _____
Signature of Registered Owner

In the presence of _____

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

EXETER & HAMPTON ELECTRIC COMPANY

TO

THE FIRST NATIONAL BANK OF BOSTON, TRUSTEE

TENTH

SUPPLEMENTAL INDENTURE

Dated as of October 14, 1994

Additional Issue (Series K, 8.49%,
due October 14, 2024)

\$9,000,000

Recorded Rockingham County Registry of Deeds
Book , Page , 19 A.M.

THIS SUPPLEMENTAL INDENTURE, dated and entered into as of October 14, 1994, by and between EXETER & HAMPTON ELECTRIC COMPANY, a corporation duly organized and existing under the laws of The State of New Hampshire (hereinafter commonly referred to as the "Company") (its Federal tax identification number being 02-0131510) and THE FIRST NATIONAL BANK OF BOSTON, a national banking association, as successor Trustee to OLD COLONY TRUST COMPANY under the Indenture of Mortgage and Deed of Trust referred to in the first recital hereof (hereinafter, together, as appropriate, with Old Colony Trust Company commonly referred to as the "Trustee") (its Federal tax identification number being 04-2472499),

WITNESSETH:

WHEREAS the Company heretofore duly executed and delivered to the Trustee its Indenture of Mortgage and Deed of Trust (hereinafter generally referred to as the "Original Indenture" and sometimes referred to, with each and every other instrument, including this Supplemental Indenture, which the Company may execute with the Trustee pursuant to the provisions thereof and which is therein stated to be supplemental to the Original Indenture, as the "Mortgage"), dated as of December 1, 1952, but actually executed on December 5, 1952, and recorded, among other places, in Rockingham County, New Hampshire, Registry of Deeds, Volume 1268, Page 375, and in the Office of the Town Clerk of the Town of Exeter, New Hampshire, Mortgage Records, Book 15, Page 501, to which this instrument is supplemental, a First Supplemental Indenture thereto dated as of January 16, 1956,, a Second Supplemental Indenture thereto dated as of January 15, 1960, a Third Supplemental Indenture thereto dated as of June 1, 1964, a Fourth Supplemental Indenture thereto dated as of January 15, 1968, a Fifth Supplemental Indenture thereto dated as of November 15, 1971, a Sixth Supplemental Indenture thereto dated as of April 1, 1974, a Seventh Supplemental Indenture thereto dated as of December 15, 1977, an Eighth Supplemental Indenture thereto dated as of October 28, 1987, and a Ninth Supplemental Indenture thereto dated as of August 29, 1991, whereby substantially all the properties of the Company used by it in its electric utility business, whether then owned or thereafter acquired, with certain exceptions and reservations fully set forth in the Original Indenture and in said Supplemental Indentures, were given, granted, bargained, sold, warranted, pledged, assigned, transferred, mortgaged and conveyed to the

Trustee, its successors and assigns, in trust upon the terms and conditions set forth therein to secure bonds of the company issued and to be issued thereunder (together the "bonds"), and for other purposes more particularly specified therein; and

WHEREAS, on January 4, 1971 Old Colony Trust Company was merged into The First National Bank of Boston, which thereupon succeeded to the trusts under the Original Indenture and the Supplemental Indentures thereto; and

WHEREAS, there are now outstanding under the Mortgage \$518,000 in principal amount of First Mortgage Bonds, Series E, \$1,235,000 in principal amount of First Mortgage Bonds, Series F, \$930,000 in principal amount of First Mortgage Bonds, Series G, \$1,120,000 in principal amount of First Mortgage Bonds, Series H, \$600,000 in principal amount of First Mortgage Bonds, Series I, and \$5,000,000 in principal amount of First Mortgage Bonds, Series J, and the Company presently proposes to issue \$9,000,000 in principal amount of First Mortgage Bonds, of a new series to be designated First Mortgage Bonds, Series K (hereinafter sometimes referred to as "Series K bonds" or "bonds of Series K"); and

WHEREAS all things have been done and performed which are necessary to make the Series K bonds, when authenticated by the Trustee and issued as in the Original Indenture and herein provided, legal valid and binding obligations of the Company;

NOW THEREFORE, in consideration of the premises, and of the acceptance and purchase of the Series K bonds by the holders thereof, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in confirmation of and supplementing the Original Indenture and each of the said Supplemental Indentures thereto and in performance of and compliance with the provisions thereof, the Company, by these presents, does give, grant, bargain, sell, warrant, pledge, assign,, transfer, mortgage and convey unto the Trustee and its successor or successors in the trust thereby and hereby created, and its and their assigns, as provided in the Original Indenture and said Supplemental Indentures, all and singular, the property and rights and interests in property, described and thereby conveyed, pledged, assigned, transferred and mortgaged, or intended or required so to be (said descriptions in the Original Indenture and said Supplemental Indentures being hereby made a part hereof to the same extent as if set forth herein at length), whether then or now owned or thereafter or hereafter acquired, except such of said properties or interests therein as may have been released by the Trustee or sold or disposed of in whole or in part as permitted by the provisions of the Original Indenture or any such Supplemental Indenture, and also, but without in any way limiting the generality of the foregoing, all the right, title and interest of the Company in and to the franchises, rights, titles, interests, easements and properties described in Schedule A hereto attached and hereby made a part hereof as full as if set forth herein at length, and all proceeds of any of the foregoing at any time conveyed, pledged, assigned, transferred, mortgaged, paid or delivered to and from time to time held by the Trustee upon the trusts of the Mortgage.

SUBJECT, HOWEVER, insofar as affected thereby, to any permitted encumbrances as defined in Section 1.01 of the Original Indenture, and, as to the property specifically described in Schedule A of the Original Indenture and said several Supplemental Indentures and in Schedule A hereof, to the liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof contained in said Schedules, none of which substantially interferes with the free use and enjoyment by the Company of the property and rights hereinabove described for the general purposes and uses of the Company's electric business;

AND SUBJECT FURTHER, as to all hereafter-acquired property, insofar as affected thereby, to any mortgages, encumbrances or liens on such after-acquired property existing at the time of such acquisition or contemporaneously created, conforming to the provisions of Section 8.07 of the Original Indenture;

BUT SPECIFICALLY RESERVING, EXCEPTING AND EXCLUDING from this instrument, and from the grant, conveyance, mortgage, transfer and assignment herein contained, all right, title and

interest of the Company, now owned or hereafter acquired in and to properties and rights of the kind specified in subclauses (a) to (d), both inclusive, of the granting clauses, on pages 16-17, of the Original Indenture (as amended by Section 8.03A of the Eighth Supplemental Indenture);

TO HAVE AND TO HOLD the trust estate described above, with all of the privileges and appurtenances thereunto belonging, unto the Trustee, its successors in the trusts of the Mortgage, and its and their assigns, to its and their own use, forever;

BUT IN TRUST NEVERTHELESS, upon the terms and trusts set forth in the Mortgage, for the equal pro rata benefit, security and protection (except as provided in Section 8.14 of the Original Indenture and except insofar as a sinking, improvement or analogous fund or funds, established in accordance with the provisions of the Original Indenture, or any indenture supplemental thereto, may afford particular security for bonds of one or more series) of the bearers and the registered owners of the bonds from time to time authenticated, issued and outstanding under the Mortgage, and the bearers of the coupons appertaining thereto, without (except as aforesaid) any preference, priority or distinction whatever of any one bond over any other bond by reason of priority in the issue, sale or negotiation thereof, or otherwise;

PROVIDED, HOWEVER, and these presents are upon the condition that, if the Company shall pay or cause to be paid the principal of and premium, if any, and interest on the bonds at the times and in the manner therein and in the Mortgage provided, and shall keep, perform and observe all and singular the covenants expressed to be kept, performed and observed by or on the part of the Company, then this Supplemental Indenture and the estate and rights hereby granted shall, pursuant to the provisions of Article Fourteen of the Original Indenture, cease, determine and be void, but otherwise shall be and remain in full force and effect.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED, upon the trusts and for the purposes aforesaid, as set forth in the following covenants, agreements, conditions and provisions, to wit:

PART I

CREATION AND TERMS OF SERIES K BONDS

ARTICLE ONE

Creation of Series K Bonds

Section 1.01. There shall be and is hereby created an additional series of bonds designated as and entitled "First Mortgage Bonds, Series K." Series K bonds shall be fully registered bonds without coupons, of the denomination of \$1,000 and multiples thereof. The registered bonds of Series K originally issued shall be dated the date of such issue and any bonds of Series K subsequently issued shall be dated as provided in Section 1.04 of the Original Indenture. All Series K bonds shall mature on October 14, 2024 and shall bear interest at the rate of eight and forty-nine one hundredths percent (8.49%) per annum from their respective dates of issue, such interest to be payable semi-annually on the fourteenth day of April and the fourteenth day of October in each year commencing the fourteenth day of April, 1995, and shall bear interest on any overdue principal (including any overdue prepayment of principal) and premium, if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 9.49% per annum. Both the principal of and interest on bonds of Series K shall be payable at the principal corporate trust office of The First National Bank of Boston, Boston, Massachusetts or at the principal corporate trust office of its successor as Trustee hereunder, in lawful money of the United States of America provided that the Company may enter into a written agreement with any registered Institutional Holder of the bonds of Series K providing that payment of interest thereon and of the redemption price on any portion of the principal amount thereof (including premium, if any) which may be redeemed shall be made directly to such holder or to its nominee, as the case may be, at a duly designated place of payment within the United States, without surrender or presentation of such bonds of Series K to the Trustee, provided that (A) there shall have been filed with the

Trustee a copy of such agreement and (B) pursuant to such agreement such holder shall agree that it will not sell, transfer or otherwise dispose of any such bonds of series K in respect of which any such payment or redemption shall have been made unless, prior to the delivery thereof by it, either (i) it shall have made a clear and accurate notation of the amount of principal so redeemed upon any such bond instrument to be transferred, or (ii) such bond of Series K shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or (iii) such bond or bonds of Series K shall have been surrendered in exchange for a new bond or bonds of Series K for the unredeemed balance of the principal amount thereof in accordance with the other terms of the Mortgage. For purposes of this Section 1.01, the term "Institutional Holder" shall mean any insurance company, bank, savings and loan association, trust company, investment company, charitable foundation, employee benefit plan (as defined in ERISA) or other institutional investor or financial institution. The texts of the Series K bonds and the Trustee's certificate with respect to them shall be respectively substantially of the tenor and purport set forth in Schedule B hereto. The Series K bonds shall be numbered in such manner or by such method as shall be satisfactory to the Trustee.

The issue of bonds of Series K hereunder is hereby limited to the \$9,000,000 in aggregate principal amount of Series K bonds initially issued as provided in Section 1.08 hereof and to Series K bonds issued in exchange or substitution for outstanding Series K bonds under the provisions of Sections 2.09, 2.11, 2.12 and 7.05 of the Original Indenture and of Section 1.07 hereof (except that despite the provisions of Section 2.09 of the Original Indenture no bonds of Series K may be converted from registered to coupon form).

Section 1.02. As a required sinking fund for the benefit of the Series I bonds, the Company covenants that it will, on October 13 in each year, beginning on October 13, 2015, and continuing to and including October 13, 2024, pay to the Trustee immediately available funds sufficient to redeem, at par, Series K bonds then outstanding, in the principal amount of Nine Hundred Thousand Dollars (\$900,000) (or the remaining principal amount if less than \$900,000 principal amount of Series K bonds at the time remains outstanding). The payments required for the sinking fund as above provided are in this Section 1.02 and elsewhere in this Tenth Supplemental Indenture referred to as "required sinking fund payments" and the day following each such payment is herein and therein referred to as a "required sinking fund redemption date". Each required sinking fund payment shall be applied to the redemption of Series K bonds on the applicable required sinking fund redemption date.

No redemption under Section 1.03, 1.04, 1.05 or 1.06 hereof shall affect or reduce the obligation of the Company to provide for required sinking fund redemptions under this Section 1.02 until all Series K bonds shall have been paid in full.

Section 1.03. At the same time it makes any required sinking fund payment, the Company shall have the option (which shall be non-cumulative) to pay to the Trustee, in immediately available funds, an additional principal amount of Nine Hundred Thousand Dollars (\$900,000) (in this Section 1.03 and elsewhere in this Tenth Supplemental Indenture referred to as an "optional sinking fund payment"), provided, that the cumulative amount of all optional sinking fund payments pursuant to this Section 1.03 shall not exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) and each such optional sinking fund payment shall be applied to the redemption of Series K bonds on the required sinking fund redemption date for such sinking fund payment. The Company will give notice, by registered mail, postage prepaid, to the Trustee and to each registered owner of a bond of Series K of any required or optional payment to be made pursuant to Section 1.02 or this Section 1.03 or Section 1.04 or Section 1.05 hereof not more than 60, nor less than 30, days prior to the required sinking fund redemption date (or other designated date of redemption in the case of a redemption pursuant to Section 1.04 or Section 1.05).

Section 1.04. In addition to the required and optional sinking funds provided by Sections 1.02 and 1.03 hereof, all of the bonds of Series K, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or

any integral multiple thereof, shall be subject to redemption, at the option of the Company, on any date on or after October 14, 1994 and before October 14, 2019, pursuant to the provisions of Article Seven of the Original Indenture, and by payment of an amount equal to the Make Whole Amount, as defined below in this Section 1.04. In addition to the foregoing, on any date on or after October 14, 2019, all of the bonds of Series K, or any part of the principal amount thereof constituting One Hundred Thousand Dollars (\$100,000) or any integral multiple thereof, shall be subject to redemption, at the option of the Company, by payment of the interest accrued on the principal amount of the bond or bonds optionally to be redeemed to the date fixed for such redemption plus an amount equal to the applicable percentage of the principal amount thereof as follows:

Date Fixed for Redemption	Premium
If redeemed on or after October 14, 2019 and before October 14, 2020	101.5%
On or after October 14, 2020 and before October 14, 2021	101.0%
On or after October 14, 2021 and before October 14, 2022	100.5%
On or after October 14, 2022 and prior to maturity	100.0%

For purposes of this Section 1.04, the Make Whole Amount shall mean the greater of (i) the outstanding principal amount of the bonds to be redeemed, plus interest accrued thereon to the date fixed for such redemption, and (ii) the sum of (A) the aggregate present value as of the date of such redemption of each dollar of principal being redeemed (taking into account each redemption required by Section 1.02 above) and the amount of interest (exclusive of interest accrued to the date fixed for such redemption) that would have been payable in respect of each such dollar if such redemption had not been made, determined by discounting such amounts at the Reinvestment Rate (as hereinafter defined) from the respective dates on which they would have been payable to the date of such redemption, plus (B) interest accrued on the bonds to the date fixed for such redemption.

For purposes of any determination of the Make Whole Amount:

"Reinvestment Rate" shall mean the sum of (i) 0.50% plus (ii) the arithmetic mean of the yields for the two columns under the heading "Week Ending" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the Weighted Average Life to Maturity of the principal amount of the bonds being redeemed (taking into account each redemption required by Section 1.02). If no maturity exactly corresponds to such Weighted Average Life to Maturity, yields for the published maturity next longer than the Weighted Average Life to Maturity and for the published maturity next shorter than the Average Weighted Life to Maturity shall be calculated pursuant to the immediately preceding sentence, and the Reinvestment Rate shall be interpolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For the purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make Whole Amount shall be used.

"Statistical Release" shall mean the then most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Federal Reserve System and which establishes yields on actively traded U.S. Government Securities adjusted to constant maturities or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66 2/3% in aggregate principal amount of outstanding series K bonds.

"Weighted Average Life to Maturity" of the principal amount of the bonds being redeemed shall mean, as of the time of any determination thereof, the number of years obtained by dividing the then Remaining Dollar-Years of such principal by the aggregate amount of such principal.

The term "Remaining Dollar-Years" of such principal shall mean the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have been payable on each scheduled redemption date under Sections 1.02 hereof if the redemption pursuant to this Section 1.04 had not been made, less (2) the amount of principal on the bonds scheduled to become payable on each such redemption date under Sections 1.02 after giving effect to the redemption pursuant to this Section 1.04, by (y) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of determination and each such scheduled redemption date under Sections 1.02, and (ii) totalling the products obtained in (i).

Section 1.05. Series K bonds may be redeemed pursuant to Article Twelve of the Original Indenture (i) out of release moneys or other trust moneys, required by Section 8.12 of the Original Indenture to be deposited with the Trustee, on any date and shall be redeemed for an amount equal to the principal amount of the bonds to be redeemed, plus interest accrued to the date of redemption; or (ii) out of release moneys or other trust moneys required by Sections 8.10, 11.03 or 11.04 of the Original Indenture to be deposited with the Trustee, on any date and, if redeemed prior to October 14, 2019, then they shall be redeemed for an amount equal to the Make Whole Amount, as defined above in Section 1.04, and if redeemed on any date on or after October 14, 2019, then they shall be redeemed for an amount of the bond or bonds to be redeemed to the date fixed for redemption, plus an amount equal to the applicable percentage of the principal amount thereof set forth in Section 1.04, above, for optional redemptions occurring on or after October 14, 2019.

Section 1.06. In the event that all or any part of the bonds of Series K shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such bonds of Series K shall be entitled to be paid therefor an amount equal to the Make Whole Amount, if such redemption or discharge occurs prior to October 14, 2019, or, if such redemption or discharge occurs on or after October 14, 2019, then the registered owners of such bonds shall be entitled to be paid thereafter an amount equal to the interest accrued to the date of redemption, plus an amount equal to the then applicable percentage of the principal amount thereof provided in Section 1.04, above, for optional redemptions on or after such date.

Section 1.07. Fully registered bonds of Series K, upon surrender thereof at the principal office of the Trustee, may be exchanged for the same aggregate principal amount of other fully registered bonds of this Series.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

For any exchange of bonds of Series K, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee.

Section 1.08. Upon the execution of this Supplemental Indenture and upon compliance with all applicable provisions of Articles Four and Five of the Original Indenture, the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to or upon the Order of the Company, bonds of Series K in the form of registered bonds without coupons in the aggregate principal amount of Nine Million Dollars (\$9,000,000).

ARTICLE TWO

Redemption

Section 2.01. In the case of any required or optional sinking fund redemption pursuant to Sections 1.02 and 1.03

hereof, forthwith after the September 14 preceding each required sinking fund payment date, and in the case of any proposed redemption pursuant to Sections 1.04 or 1.05, forthwith after the Trustee's receipt of proper notice from the Company of any such proposed redemption, the Trustee, pursuant to the provisions of Article Seven of the Original Indenture, shall

(a) select for redemption a principal amount of Series K bonds equal to the amount to be redeemed on the next ensuing required sinking fund payment date or designated optional redemption date, as the case may be, so that the principal amount to be redeemed of bonds of such series then held by each holder shall bear the same ratio to the total principal amount of all bonds of such series then to be redeemed as the total principal amount of all bonds of such series then held by such holder bears to the total principal amount of all bonds of such series then outstanding;

(b) notify the Company of the bonds or portions thereof to be so redeemed; and

(c) give notice of redemption of such bonds or portion's thereof, as provided in Sections 7.02, 7.03, 7.04 and 7.05 of the Original Indenture, to take effect on the then ensuing sinking fund payment date for such bonds.

The Company covenants that it will pay to the Trustee

i) on or before the day prior to each required sinking fund payment date, the sum required by Section 1.02 hereof, plus the sum, if any, payable in accordance with any notice of optional redemption delivered prior to such required sinking fund payment date pursuant to Section 1.03 hereof,

ii) on or before the day prior to the date proposed by the Company in a notice (which notice shall conform to the requirements of Article Seven of the Original Indenture) of any redemption pursuant to Section 1.04 or 1.05 hereof, the amount payable in accordance with such notice, and

iii) the amount of reimbursable charges and expenses which the Trustee has incurred or will incur in connection with such redemption.

ARTICLE THREE

Covenants of the Company

Section 3.01. The Company covenants that it will not declare dividends (other than in its own common stock) or make any other distribution on shares of its common stock or apply any of its property or assets (other than amounts equal to any proceeds received from the sale of common stock of the Company) to the purchase or retirement of or make any distribution, through reduction of capital or otherwise, in respect of any shares of its common stock, if, after giving effect to such distribution, the aggregate of all such distributions declared, paid, made or applied subsequent to December 31, 1993 plus the amount of all dividends declared or accrued on any class of preferred stock of the Company, subsequent to December 31, 1993, and any amounts charged to net income after December 31, 1993 in connection with the purchase or retirement of any shares of preferred stock of the Company, would exceed an amount equal to net income of the Company available for dividends after December 31, 1993, plus the sum of \$7,225,000.

The term "net income" as applied to any period shall mean the net income (or deficit) of the Company for such period properly transferrable to its earned surplus, all computed, if a uniform system of accounts is prescribed by any commission or other governmental body having jurisdiction in the premises, in accordance with such uniform system; otherwise in accordance with accepted accounting practice, and in any event by deducting from the aggregate gross revenues of the Company for such period all expenses required to be deducted in computing earnings available for interest charges for such period in accordance with Section 4.02 of the Original Indenture (as amended by Section 5.01 of the Eighth Supplemental Indenture), and also by deducting all

interest requirements, taxes, amortization of debt discount and expense and other deferred charges, and all other non-operating expenses for such period.

ARTICLE FOUR

Reaffirmation of Covenants and Warranties of Original Indenture

Section 4.01. The Company covenants that, except as to that part of the trust estate which may hereafter be acquired by it, it is now well seized of the physical properties by it hereby mortgaged or intended so to be and has good right, full power, and lawful authority to make this Supplemental Indenture and to subject such physical properties to the lien of the Original Indenture as heretofore and hereby supplemented; and that, subject to the provisions of the Original Indenture as heretofore and hereby supplemented, it has and will preserve good and indefeasible title to all such physical properties and will warrant and forever defend the same to the Trustee against the claims of all persons whomsoever.

Section 4.02. The Trustee shall be entitled to, may exercise and shall be protected by, where and to the full extent that the same are applicable, all the rights, powers, privileges, immunities and exemptions provided in the Original Indenture, as heretofore and hereby supplemented, as if the provisions concerning the same were incorporated here at length. The Trustee under the Original Indenture, as so supplemented, shall ex officio be Trustee hereunder. The recitals and statements in this Supplemental Indenture and in the Series K bonds (other than the Trustee's Certificate attached hereto) shall be taken as statements by the Company alone, and shall not be considered as made by or as imposing any obligation or liability upon the Trustee, nor shall the Trustee be held responsible for the legality or validity of this Supplemental Indenture or of the Series K bonds, and the Trustee makes no covenants or representation, and shall not be responsible as to and for the effect, authorization, execution, delivery or recording of this Supplemental Indenture. The Trustee shall not be taken impliedly to waive by this Supplemental Indenture any right it would otherwise have. As provided in the Original Indenture this Supplemental Indenture shall hereafter form a part of the Original Indenture as heretofore supplemented.

The remedies and provisions of the Original Indenture applicable in case of any default by the Company thereunder are hereby adopted and made applicable in case of any default with respect to the properties included herein and, without limitation of the generality of the foregoing, there and hereby conferred upon the Trustee the same powers of sale and other powers over the properties described herein as are expressly conferred by the Original Indenture as heretofore supplemented.

ARTICLE FIVE

Amendments to Original Indenture

Section 5.01 Section 15.03 of the Original Indenture is hereby amended to read in its entirety as follows:

If default occurs in payment of principal, premium or interest due hereunder, interest shall be paid upon overdue principal at the greater of (i) the rate of interest payable on the bonds of a particular series, plus one percent (1%) and (ii) the rate specified in the supplemental indenture creating the series of bonds in question; interest shall be paid on overdue interest and premium at the greater of (i) six percent (6%) per annum and (ii) the rate specified in the supplemental indenture creating the series of bonds in question or, if not such rate is specified therein, then the rate of interest payable on the bonds of the series in question plus one percent (1%).

Section 5.02. The Series K Bonds issued under this Tenth Supplemental Indenture are subject not only to the terms of the Original Indenture but also to all amendments to the Original Indenture set forth in supplemental indentures thereto,

including, without limitation, pursuant to the Eighth Supplemental Indenture dated as of October 29, 1987.

ARTICLE SIX

Miscellaneous Provisions

Section 6.01. The use of terms herein and the construction of the provisions hereof shall be in accordance with the definitions, uses and constructions contained in the Original Indenture as heretofore and hereby supplemented.

Section 6.02. This Tenth Supplemental Indenture shall become void when the Original Indenture shall be void.

Section 6.03. This Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 6.04. The cover of this Tenth Supplemental Indenture and all article and descriptive headings are inserted for convenience only, and shall not affect any construction or interpretation hereof.

IN WITNESS WHEREOF, Exeter & Hampton Electric Company has caused this instrument to be executed in its corporate name by its President, one of its Vice Presidents or its Treasurer and to be attested and its corporate seal to be hereunto affixed by its Secretary or the Secretary of its Board of Directors, and The First National Bank of Boston, to evidence its acceptance of the Trust hereby created, has caused this instrument to be executed in its corporate name by one of its Authorized Officers, all as of the day and year first above written.

Attest: EXETER & HAMPTON ELECTRIC COMPANY

Gail A. Siart By: Mark H. Collin
Secretary Treasurer

(Corporate Seal)

Signed, sealed and delivered by
Exeter & Hampton Electric Company
in the presence of us:

Sandra L. Walker

Ellen L. Belanger

THE FIRST NATIONAL BANK OF BOSTON,
Trustee

By: J. E. Mogavero
Authorized Officer

Signed and delivered by
The First National Bank of Boston
in the presence of us:

STATE OF NEW HAMPSHIRE)
) ss.
COUNTY OF)

On this 13th day of October, 1994, before me personally appeared Mark H. Collin to me personally known, who, being by me duly sworn, did say that he is the Treasurer of Exeter & Hampton Electric Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed by him on behalf of said corporation by authority of its Board of Directors; and the said Mark H. Collin acknowledged said instrument to be the free act and deed of said corporation.

Wilbur R. Ralph

Notary Public
My Commission Expires

COMMONWEALTH OF MASSACHUSETTS)
) SS.
COUNTY OF SUFFOLK)

On this 12th day of October, 1994, before me personally appeared J. E. Mogavero, to me personally known, who, being by me duly sworn, did say that she is an Authorized Officer of The First National Bank of Boston and that the foregoing instrument was signed by her on behalf of said Bank by authority of its Board of Directors; and the said J. E. Mogavero acknowledged said instrument to be the free act and deed of said Bank.

Sean P. George
Notary Public
My Commission Expires
(Notarial Seal)

ENDORSEMENT

The First National Bank of Boston, Trustee, being the mortgagee under the foregoing Tenth Supplemental Indenture hereby consents to the cutting of any timber standing upon any of the lands conveyed by said Tenth Supplemental Indenture and to the sale of any such timber so cut as well as any personal property conveyed by said Tenth Supplemental Indenture to the extent, but only to the extent, that such cutting and sale is permitted under the provisions of the Mortgage referred to in said Tenth Supplemental Indenture.

Dated: Boston, Massachusetts, October 12, 1994.

THE FIRST NATIONAL BANK OF BOSTON,
Trustee

By: _____
Authorized Officer

Signed on behalf of The First
National Bank of Boston in the
presence of us:

EXETER & HAMPTON ELECTRIC COMPANY
Tenth SUPPLEMENTAL INDENTURE
SCHEDULE A

Description of Certain Land and Easements
Acquired by the Company since August 29, 1991*

I. PARCELS ACQUIRED

II. EASEMENTS AND RIGHTS ACQUIRED FOR TRANSMISSION LINE
PURPOSES

*All conveyances related to premises located in Rockingham County, New Hampshire and all recording references are to records on file at the Rockingham County Registry of Deeds, Exeter, New Hampshire.

Description of Certain Land and Easements
Conveyed by the Company since August 29, 1991*

III. PARCELS CONVEYED

IV. EASEMENTS AND OTHER INTERESTS CONVEYED

*All conveyances relate to premises located in Rockingham County, New Hampshire, and all recording references are to records on file at the Rockingham County Registry of Deeds, Exeter, New Hampshire.

SCHEDULE B

(Form of Series K Fully Registered Bond without Coupons)

No. JR-___\$.

EXETER & HAMPTON ELECTRIC COMPANY

First Mortgage Bond, Series K, 8.49%
due October 14, 2024

Exeter & Hampton Electric Company, a corporation of The State of New Hampshire (hereinafter called the "Company"), for value received, hereby promises to pay to _____ or registered assigns, on the fourteenth day of October, 2024, the principal sum of _____ Dollars (\$ _____) and to pay interest thereon from the date hereof at the rate of eight and forty-nine hundredths per centum (8.49%) per annum (computed on the basis of a thirty (30) day month and three hundred sixty (360) day year) payable semi-annually on the fourteenth day of April and the fourteenth day of October in each year, commencing the fourteenth day of April, 1995, until said principal sum is paid; and to pay interest on any overdue principal (including any overdue prepayment of principal) and premium if any, and (to the extent permitted by applicable law) on any overdue payment of interest, at the rate of 9.49% per annum. The principal of and premium, if any, and the interest on this bond shall be payable at the principal corporate trust

office at The First National Bank of Boston, Boston, Massachusetts, or at the principal corporate trust office of its successor as trustee in the trust hereinafter referred to, or at the option of certain holders, in accordance with the provisions of Section 1.01 of the Tenth Supplemental Indenture hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series K, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of December 1, 1952 (herein called the "Original Indenture") duly executed and delivered by the Company to Old Colony Trust Company, Trustee (The First National Bank of Boston being successor Trustee, and together with Old Colony Trust Company being called herein the "Trustee"), to which Original Indenture and to all indentures supplemental thereto including a Tenth Supplemental Indenture dated as of October 14, 1994 (herein together called the "Indenture") reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustee and of the Company in respect of such security. Neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and premium, if any, and interest on this bond as herein provided.

Bonds of this Series K are also redeemable, in whole or in part, in integral multiples of one hundred thousand dollars, at the option of the Company on any date on at least 30 days' notice, in the manner, with the effect, subject to the limitations and for the amounts specified in Section 1.04 of the Indenture.

On the conditions and in the manner provided in the Section 1.05 of the Indenture, Series K bonds may also become subject to redemption, in whole or in part, at any time on at least 30 days' notice, in the manner, with the effect and for the amounts specified in said Section 1.05, by the use of moneys deposited with or paid to the Trustee as the proceeds of the sale or condemnation of property of the Company or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property of the Company.

In the event that all or any part of the bonds of this Series K shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, or otherwise, the registered owners of such Series K bonds shall be entitled to be paid therefor an amount specified in Section 1.06 of the Indenture.

The Indenture provides that, if notice of redemption of any bond issued pursuant to its terms, including the Series K bonds, or any portion of the principal amount of any such bond selected for redemption has been duly given, then such bond or such portion thereof shall become due and payable on the date fixed for redemption, and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue from and after the date fixed for redemption, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given, or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a part only of this bond shall be so called for redemption, the Company will issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In case an event of default, as defined in the Indenture,

occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for the purpose at the corporate trust office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument or transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Fully registered bonds of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of fully registered bonds, also of this series but of another authorized denomination or other authorized denominations, all upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for all purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof, and the terms and provisions of the Indenture (except for the provisions relating to the modification of the Indenture contained in Section 17.04 of the Original Indenture) may be modified or altered by the assent or authority of the holders of at least seventy-five per centum (75%) in principal amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged property, or (c) give to any bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of a least seventy-five per centum (75%) in principal amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, Exeter & Hampton Electric Company has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Treasurer, and this bond to be dated the _____, 1994.

EXETER & HAMPTON ELECTRIC COMPANY

By: _____
President

(Corporate seal)

ATTEST: _____
Treasurer

(Form of Trustee's Certificate for all Bonds of Series K)

This is one of the First Mortgage Bonds, Series K, referred to in the within mentioned Indenture.

THE FIRST NATIONAL BANK OF BOSTON
Trustee

By: _____
Authorized Officer

(Form of Notation of Payments on Account of Principal)

PAYMENTS ON ACCOUNT OF PRINCIPAL

Date	Amount Paid	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Form of Endorsement)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within bond, and all rights thereunder, hereby irrevocably constituting and appointing attorney to transfer said bond on the books of the Company, with full power of substitution in the premises.

Signature of Registered Owner

Dated: _____

In the presence
of: _____

NOTICE: The signature of this assignment must correspond with the name of the payee as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

AGREEMENT

BETWEEN

CONCORD ELECTRIC COMPANY

AND

LOCAL UNION NO. 1837
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS

JUNE 1, 1994 through MAY 31, 1997

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PREAMBLE

AGREEMENT made and entered into this 1st day of June, 1994 and between CONCORD ELECTRIC COMPANY, a New Hampshire corporation hereinafter referred to as the "Company," and Local Union No. 1837 of INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS and the EMPLOYEES OF THE COMPANY who have designated Local Union No. 1837 of the International Brotherhood of Electrical Workers to act for them as their collective bargaining agent, all hereinafter referred to as the "Union."

WHEREAS, the Union represents a majority of the employees of the Company in the Line Department, Meter Department, Service Center (Station Attendants, Maintenance Workers, Stock Clerks and Operation Office Clerk only), and Meter Readers, and has been designated by said majority to be the exclusive representative of all employees of the said departments for the purpose of collective bargaining in respect to rates of pay, wages, hours of work and other conditions of employment, and

WHEREAS, both the Company and the Union desire to promote harmony and efficiency in the working forces so that the employees and the Company may obtain mutual economic advantages consistent with the duty of the Company, as a public utility, at all times to provide an adequate and uninterrupted supply of electric service in the territory and communities which it serves.

NOW THEREFORE, in consideration of the mutual covenants and Agreements hereinafter set forth, it is agreed as follows:

ARTICLE 1
RECOGNITION OF UNION
AND UNION SECURITY

1.1 Recognition of Union

The Company recognizes the Union to be the exclusive representative of all employees in the Line Department, Meter Department, Service Center (Station Attendants, Maintenance Workers, Stock Clerks, and Operation Office Clerk only) and Meter Readers holding the positions set forth on the attached "Schedule of Wages," for the purpose of collective bargaining.

1.2 Union Security

All employees who are at present members of the Union or may hereinafter become members of the Union shall remain members in good standing in the Union during the term of this agreement as a condition of their employment by the Company. New employees covered by this agreement shall be required to apply for membership in the Union at the end of one hundred and twenty (120) days of continuous employment and remain members in good standing of the Union as a condition of their continued employment during the term of this agreement, and the Union agrees to accept such new employees into membership in the Union in accordance with its By-Laws. The term "member in good standing" is understood to be a Union member whose dues are paid in accordance with the By-Laws and Constitution of the Union.

1.3 Payroll Deduction for Union Dues

The Company agrees to make weekly payroll deductions for Union dues upon written authorization of employees who are Union members with their signatures properly witnessed and to forward monthly the amounts so deducted to the Union. (Exhibit B)

ARTICLE 2

CREDIT UNION & THRIFT/SAVING PLAN

2.1 Credit Union

The Company agrees to make payroll deductions for payments to a duly-established Credit Union upon written authorization by regular employees and to forward the amounts so deducted to the Credit Union in accordance with such authority.

2.2 401K Plan

Employees may participate in the Company's 401K Plan. The Company agrees to make payroll deductions for payments to the duly-established 401K Plan upon written authorization by regular employees and to forward the amounts so deducted to the 401K Plan in accordance with such authority.

ARTICLE 3

WAGES AND HOURS

3.1 Hours of Work and Premium Pay

(a) For all employees the normal work week shall consist of forty (40) hours worked Monday through Friday, and the normal workday shall consist of eight (8) hours worked from 7 a.m. to 3 p.m. except the workday for the meter order truck operator (s) which shall be from 9 a.m. to 5 p.m.; the evening Station Attendant which shall be from 3 p.m. to 11 p.m.; and Meter Readers which shall be from 8 a.m. to 4 p.m.; Utility Maintenance Worker which shall be from 1 p.m. to 9 p.m.; Operation Office Clerk which shall be from 8 a.m. to 5 p.m. with one (1) hour for lunch; and Utility Lineworker I, Tuesday, Wednesday, Thursday, Friday and Saturday 3 p.m. to 11 p.m. It is understood that these times may be changed by mutual agreement of the parties. Time and one-half shall be paid to all employees for all hours worked outside

the normal workday except Sundays and holidays which shall be double time.

- (b) For Station Attendants, the normal work week shall consist of forty (40) hours, Monday through Friday, and the normal workday shall consist of (8) consecutive hours worked in a twenty-four hour period commencing with the beginning of the employee's regularly scheduled hours. Station Attendants shall receive time and one-half for all hours worked in excess of eight (8) in any workday or forty (40) in any one week; provided, however, that if a Station Attendant voluntarily works two work schedules in a single workday or mutually agrees to work two consecutive work schedules, straight time only shall be paid for the second work schedule.
- (c) A Station Attendant required to work on either the first or second of his regularly scheduled consecutive days off shall be paid at time and one-half his normal rate of pay for work on the first day, and at two (2) times his normal rate of pay for work on the second day. Premium pay will not be paid to an employee who is absent from work on the scheduled day for which such premium would have been payable.
- (d) The Union agrees that the Station Attendants may be trained by the Company by the trading of work schedules for short periods of time not to exceed one week of duration. Upon mutual agreement between them and the Company, Station Attendants who desire to trade work schedules will be permitted to do so temporarily from time to time, provided that such temporary interchange is completed within a payroll week so that it does not lead to or require the payment of overtime.
- (e) Nothing in this provision shall be

interpreted to interfere with the Company's
right to temporarily assign work, including

the right to temporarily assign employees to perform work on an emergency basis outside their normally scheduled hours. The Company shall provide as much notice as possible in the event it implements this section.

(f) The hours for the meter order truck operator(s) may be changed to 7 a.m. to 3 p.m. for the days that the Utility Lineworker I shift is covered. For all other times, the meter order truck operator(s) hours will be per 3.1(a).

(g) The hourly rate for the Utility Lineworkers I and for Lineworkers I temporarily filling the position of Utility Lineworker I is set by adding forty (\$.40) cents per hour to the Lineworkers I hourly rate.

3.2 Hourly Premium

The Station Attendant required to work the 3 p.m. to 11 p.m. schedule shall receive a forty (\$.40) cent per hour premium.

3.3 Minimum Pay for Employees Called In

When an employee is called in to work outside his regularly scheduled work hours, he shall receive a minimum amount of pay as provided in the two following paragraphs:

(a) All Workers: If he reports during the period beginning one hour before his scheduled starting time in the morning and ending 17 hours thereafter, an amount equal to four hours straight-time pay; if he reports outside the above-stated time period, an amount equal to six hours straight-time pay. If he reports on a day during which he is not regularly scheduled to work, he shall receive minimum pay in accordance with the time periods in the preceding sentence.

(b) An employee who is required to continue working after his scheduled quitting time shall not receive minimum pay under paragraph (a). An employee who reported during the period of one hour immediately preceding his

scheduled starting time shall not receive
minimum pay under paragraph (a) if he remains

on duty continuously until his scheduled starting time, but shall receive time and one-half for such period. In computing hours worked, time shall begin immediately when he reports at his station and shall end when relieved from duty upon completion of emergency work.

3.4 Holidays

The following days shall be recognized as
Holidays:

NEW YEAR'S DAY	COLUMBUS DAY	
WASHINGTON'S BIRTHDAY	FLOATING HOLIDAY (See Sec. 3.4(h) & Sec. 3.5 (f()))	
CIVIL RIGHT'S DAY		
VETERANS DAY	MEMORIAL DAY	
THANKSGIVING DAY	INDEPENDENCE DAY	
DAY AFTER THANKSGIVING	FLOATING HOLIDAY (See Sec 3.5 (f))	
CHRISTMAS	LABOR DAY	

- (a) As used in this section, the word "Holiday" means the above-named holidays or the day upon which they are celebrated. If a holiday falls on Sunday, but is celebrated on Monday, Monday shall be deemed the holiday.
- (b) As used in this section, "Holiday Pay" means eight hours pay at the employee's regular straight-time rate of pay.
- (c) If a holiday falls on a day on which an employee is regularly scheduled to work and he does not work because of the holiday, he shall receive the amount of pay he would have received if he had worked his regular schedule of hours on that day without its being a holiday.
- (d) If a holiday falls on one of the first five days that an employee is regularly scheduled to work during a payroll week, he shall receive Holiday Pay plus double time for each hour worked.
- (e) If a holiday falls on a day on which an employee is not regularly scheduled to work and he is called in to work on such a day, he shall receive Holiday Pay plus two times his straight-time rate for each of the first

eight hours worked and three times his straight time rate for each hour worked beyond eight.

- (f) If a holiday falls on a day on which an employee is not regularly scheduled to work and he does not work on such a holiday, he shall receive Holiday Pay or by mutual agreement a day off in lieu of such Holiday Pay; provided, however, that the Company shall have no obligation to grant a particular day off if the granting of such day off would require the Company to pay a premium rate of pay to another employee to fill in for the employee taking the day off.
- (g) The above-described holiday allowances are available only to employees who have worked their last-scheduled workday before the holiday and the first-scheduled workday after the holiday, unless the employee's absence is for a justifiable reason as determined by the Company.
- (h) 1994 will be the last year N.H. Election Day (Biennial) is to be considered a holiday. Starting in 1995, a Floating Holiday will be given each year that there is a N. H. Election Day, to be taken between January 1 and June 1 of that year, subject to the same provisions of this Agreement as any other designated holiday, and subject to Section 3.5(f).

3.5 Vacations

- (a) Employees shall be granted vacations with pay at the employee's regular rate based upon their years of continuous service. An employee who has completed at least six months, but less than twelve months, of continuous service in the calendar year of his employment shall be entitled to one week's vacation (5 working days) with pay, plus one additional day with pay for each full month worked in excess of six months,

the total vacation not to exceed ten full days in that calendar year. Employees who are active members of the Union on May 31, 1994, and who have completed one year or more

of continuous service by said date, shall receive vacation in accordance with the following schedule:

Years of Continuous Service	Amount of Vacation
1 Year	2 Weeks
5 Years	3 Weeks
10 Years	4 Weeks
15 Years	5 Weeks
20 Years	5 Weeks plus 1 day
21 Years	5 Weeks plus 2 day
22 Years	5 Weeks plus 3 day
23 Years	5 Weeks plus 4 day
24 Years	6 Weeks

Employees who join the Union after May 31, 1994, and who have completed one year or more of continuous service shall receive vacation in accordance with the following schedule:

Years of Continuous Service	Amount of Vacation
1 Year	2 Weeks
5 Years	3 Weeks
10 Years	4 Weeks
18 Years	5 Weeks

(b) In order to be eligible for full vacation pay in the following calendar year, an employee must have worked in at least twenty-six (26) different work weeks during the fifty-two (52) week period immediately preceding the employee's anniversary date. Employees who work in less than twenty-six (26) different work-weeks shall have their vacation reduced on a proportional basis.

(c) Vacations shall be without duplication, shall not be cumulative from year to year and shall be taken during each calendar year at times or from time to time appointed by the Company after consideration of the requirements of

the Company's business, employees' preferences, and preferential rights of employees with the longest length of service.

(d) If a holiday, as defined in Section 3.4

above, shall fall within an employee's vacation period, the employee shall be entitled to an extra day's vacation or the normal day's pay he would have received were he not on vacation at the election of the Company; if the Company elects the extra day's vacation it shall be taken at a time designated by the Company.

(e) Each employee shall have the right during the period from January 1 through April 30 of each year to express in writing his desire as to the scheduling of his vacation. Length of continuous service shall govern the order in which such preferences shall be considered.

(f) Unscheduled vacation days available to an employee and an employee's floating holiday may only be taken upon forty-eight (48) hours advance request, unless in the judgment of the Company the work schedule will permit lesser advance notice.

(g) A request for vacation in excess of two (2) weeks will be considered on an individual basis; taking into account the Company's operating requirements. An employee will receive written confirmation of their vacation approval or denial within a reasonable time from request.

3.6 Assignment of Overtime Work

When practicable, overtime work will be distributed equally among all employees of the department concerned. Men assigned to work on planned weekend overtime will be notified on Thursday as to the hours to be worked. Work schedule will be confirmed at that time. In the event that the planned overtime has to be canceled because of bad weather or other causes, the Company will pay a minimum of three hours at time

and one-half when it is not possible to provide an
equal number of hours of inside work. Stand-by

men will not be automatically excluded from participation in planned jobs, but the determination to include or exclude a stand-by man from a given planned job will be made by management in a reasonable and consistent manner. It is understood and agreed that the Union will cooperate fully in the implementation of this Section.

3.7 Temporary Up-Grading

When an employee is temporarily assigned to a higher wage classification for a period of two hours or more, he shall receive the rate for such classification provided under Schedule of Wages attached.

Whenever a Lineworker I is put in charge of a line crew of one or more other employees for a period of two hours or more, he shall receive the rate of pay of a Working Foreman and shall be entitled to said rate of pay if the crew does not do outdoor work due to inclement weather.

3.8 Inclement Weather

Except in cases of necessity or emergency, employees shall not be required to do outdoor work when heat, cold, rain, snow, wind, humidity or other inclement weather conditions make such work unsafe.

The Operations Manager, or a representative designated by him, will determine whether or not the weather conditions are such that the crews will be sent into the field consistent with safety. In the field, the Working Foreman (or Foreman) of the crew shall make the decision as to whether or not his crew shall stop work. Employees shall not lose any regular pay because of failure to work outdoors due to inclement weather. Meter Readers will not be required to read meters during heavy snow or sleet or in any severe weather conditions which would be considered detrimental to the safety of the employee. The Company's decision shall, upon

written complaint filed with the Company within

five days, be subject to the grievance and arbitration provision of this Agreement.

3.9 Rubber Gloving

As of June 1, 1991, the Company may adopt the practice of rubber gloving voltages up to and including 34.5 KV in line work. Any employee classified as Lineworker I, II, or III as of June 1, 1991, shall not be required to rubber glove voltages in excess of 15 KV. To the extent the Company requires rubber gloving of voltages between 15 KV and 34.5 KV, the work shall be carried out by volunteers within the Company who have achieved Lineworker I status or by a Lineworker I who is hired after June 1, 1991.

Lineworkers who were employees of the Company as of June 1, 1991 who volunteer for the 34.5 KV rubber gloving program shall have the option of leaving the program within one year from the day they volunteer, after the program goes online. The Company upon receipt of written notice of that employee's intent to leave the 34.5 KV rubber gloving program, will reassign that Lineworker to the position held before entering the 34.5 KV rubber gloving program within (30) days.

It has been further agreed that the Company will confer with the Union with respect to appropriate safety rules for rubber gloving voltages up to and including 34.5 KV in line work.

3.10 Employee Purchasing

The Company agrees to maintain uniform policy in relation to purchase of merchandise by regular employees.

3.11 Equipment Provided by Company

The Company shall provide Linemen's equipment consisting of climbing spurs, pads, and straps, body belts and safety straps, pliers, connectors, skinning knives, leather gloves, adjustable wrenches, rules and screwdrivers, and replacement and renewals thereof. All linemen's equipment shall be and remain the property of the Company. When renewals or replacements are requested, the

old equipment must be turned in or its loss

satisfactorily explained. All linemen's equipment shall be left on the property of the Company when not in use. The Company shall provide coveralls for use in painting or other jobs requiring clothing protection, which shall be kept at such places on the Company's property as the Company decides.

3.12 Rest Period

If an employee is required to work sixteen (16) or more consecutive hours, he will be allowed a period of eight (8) hours off before returning to work unless an emergency arises which makes it necessary for the Company to call him back to work before the expiration of the eight (8) hour period. Any part of the eight (8) hour period which extends into the employee's normal work schedule will be paid for at normal straight time rates.

If an employee is required to work beyond sixteen (16) consecutive hours, he will be paid at double his straight time rate for those hours worked beyond sixteen (16), including normal schedule hours worked. Time allowed off for meals will be counted in determining sixteen (16) consecutive hours worked for the purpose of this Section. If an employee is called and reports for work within two (2) hours of the time he went off duty, the time off will not prevent the hours worked thereafter from being considered as consecutive with the previous hours worked.

Employees who are required to work during unscheduled hours starting eight hours after the end of their normal work schedule and ending one hour prior to the beginning of their normal work schedule will be entitled to one hour of rest time for each hour worked starting eight hours after the end of their normal work schedule and ending one hour prior to the beginning of their normal work. If such rest time extends into the employee's normal workday, no reduction in pay

will be made for the hours overlapping the normal workday. Rest time extending into normal work schedule and having a duration of two (2) hours or less will be taken at the end of the day unless otherwise established by mutual agreement. Rest time extending into normal work schedule and having a duration of four (4) hours or less but more than two (2) hours may, by mutual agreement,

be taken at the end rather than the beginning of the normal workday.

3.13 Military Leave

- (a) The Company will abide by the laws of the United States with respect to the re-employment of those of its employees who have left or will leave their employment with the Company to enter upon service with the armed forces of the United States. When such absence from their duties is compulsory, or results from enlistment in anticipation of compulsory service, the period of absence from their duties with this Company of those re-employed under this Article shall be computed as part of their total term of service with the Company in determining their seniority, vacation, sickness disability benefits, termination pay, and the amount of retirement pension. The parties interpret said laws as applying with equal force to all members of said armed forces, including the Merchant Marine regardless of the manner by which they may have become members thereof.
- (b) The Company agrees to pay to a regular employee, while on National Guard or Reserve annual two-week tour of duty, the difference between the pay from National Guard or Reserves and the regular pay while at work for the Company for two (2) weeks of the tour of duty.

3.14 Stand-By

One qualified Lineworker will be assigned to stand-by duty each week during the year. A list of Lineworkers will be submitted, by the Union, one year in advance. Any changes to this schedule shall be submitted, in writing, no less than one week prior to the Lineworker going on stand-by, unless an emergency situation arises and the

Lineworker is unable to cover. Lineworker and schedule to be approved by the Operations Manager.

Stand-by duty consists of a qualified Lineworker remaining within reach of a telephone and/or paging device for a period of one week so that an employee on stand-by duty may be notified to report for work in cases of emergency. Stand-by duty does not require any interruption of an employee's normal life except to the extent of making arrangements so that he can be reached by telephone and/or paging device and report within a reasonable driving time from the place the employee normally reports for work.

Employees who accept stand-by duty shall be paid fourteen (14) hours of straight time pay plus three (3) hours pay for a week which includes a holiday. The stand-by Lineworker will be provided with a vehicle.

3.15 Pay When Away From Home Overnight

When working outside the Concord Electric service area, employees shall receive one dollar (\$1.00) per hour above their regular hourly rate, or the prevailing rate for the area, whichever is higher.

The premium shall apply to all hours worked away from the normal work area during the day on which the employee is unable to return home, provided, however, that the minimum premium pay for such day shall be twelve dollars (\$12.00).

The one dollar (\$1.00) hourly premium shall be added to the regular straight-time rate of pay for determining overtime rates of pay, but for no other purpose. This premium shall not apply when attending a Company sponsored training course.

3.16 Leave of Absence for Personal Reasons

An employee after one (1) year of continuous service may be granted a leave of absence, the employee must make a request in writing to his/her immediate supervisor. The request must show a reason and the length of time that will be required.

Requests for leave of absence will be considered if the employee has used all their vacation in that calendar year. A request will be considered on an individual basis; taking into account the reason, service record, and the Company's operating requirements.

Leaves of absence are normally without pay, however, insured benefits may be continued only through special arrangement.

Time spent on leave of absence shall be included in determining length of service for seniority purposes only.

3.17 Absence Due to Death in the Family

In the event of death of a member of the immediate family of an employee, the Company will grant reasonable time off without loss of normal straight time compensation for all scheduled work days, up to three (3) consecutive workdays, falling within the period from the date of death through the date of the funeral. The immediate family is defined as wife, husband, children, sister, brother, parents, parents-in-law, or in the immediate household. For other members of the family, grandparents, grandchildren, aunts and uncles, one (1) day without loss of pay will be granted if the funeral is held on a scheduled work day.

When there are unusual circumstances in individual cases, time off without loss of pay may be granted subject to the discretion of management.

3.18 Temporary Assignments Outside of the Company's Service Area

Work Assignments with utilities outside of the Company's service area are voluntary except when the utility is an affiliate of UNITIL Corporation.

If adequate volunteers cannot be obtained for work assignments at UNITIL affiliates, personnel will be assigned with forty-eight (48) hours notice, except in cases of emergency.

Employees will be paid for travel time external

of the eight hour day at the appropriate overtime rate for all planned work. The "Minimum Pay for Employees Called In", Section 3.3 in the Contract,

will not apply. Transportation will be provided if requested. The rate of pay shall be in accordance with this agreement or the prevailing wage where they are assigned, which ever is higher.

If an employee works outside the service area and is required to stay overnight, Section 3.15 "Pay When Away From Home Overnight" will apply.

The employee will be paid the same as when working within the service area except that straight time rates will be paid for rest time.

This provision does not apply to assignments classed as nonworking (examples: training, schools, meetings, etc.).

3.19 Utility Lineworker I

As of June 1, 1994, the Company will create a Utility Lineworker I position. Any employee classified as Lineworker I, II or III as of June 1, 1994, shall not be required to cover the position or hours of the Utility Lineworker I, unless voluntary or unless an employee bids for the position.

ARTICLE 4 ANSWERING SERVICE

The Company reserves the right to provide an outside telephone answering service for the hours of 11 p.m. to 7 a.m., Monday through Friday; and from 11 p.m. Friday to 7 a.m. Monday and on holidays observed by the Company.

ARTICLE 5 RETIREMENT PLAN

During the effective period of this Agreement, the Company will pay retirement benefits in accordance with the UNITIL Corporation Retirement Plan, effective January 1, 1985, the appropriate details of which are attached hereto and contained

in the Company publication Employee Benefit Book, a copy of which will be provided to all employees covered by this Agreement and to the Local Union, all of which are incorporated herein by reference.

An employee may retire at a reduced Schedule of benefits prior to Normal Retirement Date of age 65, as will be stipulated in the aforementioned benefits booklet. The Company agrees that no change in the retirement plan will be made without prior notification to the Union.

ARTICLE 6 GROUP INSURANCE

During the effective period of this Agreement, the Company will maintain group insurance coverages as follows:

(a) Life, (b) Accidental Death and Dismemberment, (c) Dental, (d) Hospital, Diagnostic Laboratory and X-Ray Examination Expense, Surgical, Medical, and (e) Major Medical and agrees that no change in the group insurance plan will be made without prior notification to the Union. Appropriate details of the terms of existing contracts are attached hereto and contained in the Company publication Employee Benefit Book, a copy of which will be provided to all employees covered by this Agreement and to the Local Union, all of which are incorporated herein by reference. The cost of the foresaid group insurance coverages is to be paid by the Company.

ARTICLE 7 PROMOTIONS, DEMOTIONS AND FURLOUGHES

7.1 Promotions

Selection of regular employees for promotion or advancement within the bargaining unit, for demotion for furloughing because of a reduction in

forces, shall be based upon qualifications and seniority. If the employee is qualified for the job in cases of promotion, advancement and demotion, seniority shall govern. An employees un-bridged Union seniority and qualifications shall govern in cases of furloughing and bumping. The Union and the Company recognize that it may be necessary to make exceptions in the application of the foregoing seniority provisions by mutual agreement in order to insure efficient operation of the Company's business. The determination by the Company as to qualifications for promotions to supervisory positions shall not be subject to arbitration under Article 11.

If and when there is an addition in forces in any department covered by this Agreement, employees who have been furloughed from such department shall be given preference over other persons, and employees who have been furloughed from any other department covered by this Agreement shall be given preference over persons not formerly in the employ of the Company, if in either case they are qualified as provided in this Article.

When a vacancy or the creation of a new position necessitates promotion of an employee or the hiring of a new employee, the Company shall post notices at locations accessible to the employees, such notices to remain posted for ten (10) calendar days, within which time employees may apply in writing to the supervisor or official of the Company designated in the notice. If the Company decides not to fill a vacancy, it will so notify the Union within two (2) weeks of the date of vacancy; if the Company decides to fill a vacancy it will post notices within two (2) weeks of the date the vacancy occurs. The notices shall set forth the classification of the position to be filled, an outline of the duties, the hours and days of work, the ultimate wage rate, the date on

which the notice is posted, and the last day for
filing applications. Applicants who have special

qualifications shall describe such qualifications briefly in their application.

When an employee is promoted or transferred to another position but fails to qualify, he shall be reassigned to the class from which he was promoted or transferred. If the Company determines that the employee is qualified to perform the work in the class to which he was promoted or transferred, but the employee desires to return to his previous class of work, the Company shall not reassign him until there is a vacancy in such previous class.

7.2 Temporary Assignment

The Company may assign anyone to fill a vacancy or new position temporarily, pending the posting of notices and the consideration of applications.

The Company may also assign anyone to perform temporary work or to replace an absent employee without regard to the foregoing provisions of this Article.

7.3 Retrogression

If a regular full-time employee becomes partially incapacitated by reason of age or non-compensable disability and thus is unable to perform fully the duties of his job classification, the Company will endeavor to find him other work by placing him in the highest classification in which he is able to perform the work assigned and in which there is an available opening. The employee shall be given a reasonable opportunity for training to fill an available job which carries a rate of pay more equal to his original rate, and if he becomes qualified for such available job he shall be placed in that classification. An assignment made under this paragraph shall continue until the employee's normal retirement date, provided that he remains qualified to perform the duties required of his job classification. During the period of assignment under this paragraph employees shall be paid at the maximum rate for the classification to

which they are assigned, except that employees who

have completed ten (10) or more years of continuous service at the time of assignment shall be paid not less than the percentage of their former rates indicated below, such percentage to remain the same for the balance of each employee's active employment. When the rates of pay are adjusted by a general wage adjustment, employees so classified will receive an adjustment in pay in the amount by which the employees retrogressed classification is adjusted.

Years of Service

At Time of Assignment	Percentage
25 or more	100%
20-24	95%
15-19	85%
10-14	75%

The provisions of the foregoing paragraph shall not impair the right of the Company to require an employee to retire under the Company's Retirement Plan.

7.4 Termination Pay

If an employee's employment with the Company is terminated due to a reduction in work force resulting from automation or the closing of an operation, he shall, unless he is retired with pension benefits under the Retirement Plan, be entitled to receive one week's pay for each six months (calculated to the nearest six month period) of service with the Company, provided, however, that an employee receiving termination pay shall not be entitled to be rehired under the provisions of the second paragraph of Section 7.1 of this Article.

ARTICLE 8

CONTRACTING CREWS

The Company shall not use outside contracting or affiliate companies to perform work regularly done by its regular employees if so doing would result in any regular employee being laid off or transferred to another job. This provision does

not preclude contractor crews from performing work during emergencies and during times when Company employees are not immediately available.

ARTICLE 9 SUSPENSION AND DISCHARGES

Upon written request of the Union made within seven days from the date upon which an employee has been suspended or discharged, the Company shall grant a hearing to the employee involved.

Upon receipt of the foregoing request in writing, the Company will inform the Union of the reason for the suspension or discharge. The hearing will be conducted by the department head or superior officer of the Company, and if exonerated, the employee will be reinstated without prejudice and compensated for loss in wages. The hearing shall be conducted in accordance with the method of adjusting grievances as provided in Article 11 herein.

ARTICLE 10 NO STRIKES OR LOCKOUTS

The Union agrees that it will not authorize a strike or work stoppage, and the Company agrees that it will not engage in a lockout, because of disputes over matters relating to this Agreement. The Union further agrees that it will take every reasonable means which are within its powers to induce employees engaged in a strike or work stoppage in violation of this Agreement to return to work. There shall be no responsibility on the part of the Union, its officers, representatives or affiliates, for any strike or other interruption of work unless specifically provided in this paragraph.

ARTICLE 11
ADJUSTMENTS OF DISPUTES
AND GRIEVANCES AND ARBITRATION

Any dispute or grievance arising during the term of this Agreement relating to the meaning, interpretation, construction or application of this Agreement shall be settled in the following manner:

STEP 1. The specific details of the dispute or grievance shall be submitted to an authorized representative of the other party promptly after the occurrence of the facts giving rise to such dispute or grievance.

STEP 2. The dispute or grievance may be settled by agreement between the authorized representatives of both parties. The resultant agreement or failure to agree shall be stated in writing by the party first notified to the party who submitted the dispute or grievance within fifteen (15) working days of the date of original submission.

STEP 3. If the grievance is not settled in Step 2, either party may, within thirty (30) working days of the decision rendered in Step 2, appeal in writing for a decision by the Vice President and General Manager of the Company and the Business Manager of the Union, or representatives designated by them. An international representative of IBEW may be present at this step of the grievance procedure only to assist the local union. They shall render their agreement or failure to agree in writing within fifteen (15) working days of the date of the appeal to them. The time limits specified in the first three steps hereof, may be extended by mutual agreement of the parties involved.

STEP 4. ARBITRATION. If the Company and the Union are unable to settle a dispute or grievance as above provided, the dispute or grievance may be referred to arbitration by either party as

follows: The Union and the Company shall agree upon an arbitrator within ten days, but if they are unable to agree upon an arbitrator within ten days, the arbitrator shall be appointed by the American Arbitration Association. The decision of the Arbitrator shall be final and conclusively binding upon the parties. The services and expenses of the Arbitrator shall be shared equally by the Company and the Union. It is agreed that there shall be no obligation to arbitrate a renewal of this Agreement or a change in, or supplement to, this Agreement or to arbitrate any matter not covered by this Agreement or some provision thereof. No arbitration decision shall be binding beyond the life of this Agreement.

The Operations Manager and the Chief Steward of the said Local Union shall meet from time to time at the request of either party for the purpose of discussing any matter coming within the scope of this Agreement.

All meetings between the Operations Manager and the Chief Steward of the Union shall be held at the Company Office at the convenience of both parties if possible.

ARTICLE 12 NOTICES AND REQUESTS

12.1 Mailing Requirements

Except where specifically provided otherwise herein, all notices and requests shall be deemed to have been fully and completely served or made by the Company when sent by certified mail addressed to the Chief Steward at his current home address with a copy to be sent to the office of the Local Union, and by the Union when sent by certified mail to Concord Electric Company, at One McGuire Street, Concord, New Hampshire 03301, unless either party hereto shall give notice of a different address at least five (5) days before any such notice or request is mailed.

12.2 Bulletin Boards

The Company shall permit reasonable use of bulletin boards for posting officially signed Union bulletins.

ARTICLE 13 WAGE AND WORK AGREEMENT

The Union agrees that its members employed by the Company will work for the Company upon the terms, conditions and attached wage schedule set forth in this Agreement during its life.

ARTICLE 14 DISABILITY BENEFITS AND SAFETY

14.1 Sick Pay

Employees covered by this Agreement shall be entitled to two weeks sick pay for each year of employment up to 13 years for each unrelated occurrence (but not less than two weeks). The employee will also be entitled to two three-quarter weeks of sick pay for each year of employment up to thirteen years for each unrelated occurrence (not to exceed 26 weeks).

The Company shall have the right, in each instance in which an employee claims sick pay under the provision of this Article, to satisfy itself of the fact of sickness requiring absence by the certificate of a competent physician, examination, or otherwise.

- (a) If a holiday occurs during the full-pay period, while an employee is sick, extend the full-pay period eight (8) hours or one (1) day, if the employee is still out sick.
- (b) If a holiday occurs during the three-quarter pay period, the employee will receive an extra three-quarter day's pay at the end of the three-quarter pay period if the employee is still out sick.

14.2 Worker's Compensation

Time lost on account of industrial accident will not be regarded as sickness. The Company agrees to pay, during disability due to industrial accidents, the difference between the amount of compensation from Worker's Compensation and full pay for a period not to exceed twenty-six weeks, and the difference between the amount of compensation from Workers Compensation and three-quarter pay for an additional twenty-six weeks. Said amount shall not exceed the regular take home pay that would be received by an individual without regard to the injury suffered.

14.3 Safety

The Company will continue to make reasonable regulations for the safety and health of its employees during their hours of employment. Representatives of the Company and the Union shall meet from time to time at the request of either party to discuss such regulations. The Company hereby retains the right to require an employee to submit to a reasonable medical examination by a physician, who shall be mutually agreed upon between the Company and the Union, if the Company has a reasonable belief that the employee's physical or mental condition is placing himself or others in jeopardy.

(a) The Union shall receive copies of all accident reports involving injury or incident to their members.

ARTICLE 15 CONSOLIDATION OR MERGER

In case of consolidation or merger of the Company with any other company, or sale of all or a substantial part of its properties, the provisions of the Agreement will continue to apply to the extent legally permissible to the employees covered by the terms of this Agreement, and the Company will use its best efforts to require any

other Company involved in the consolidation or merger to assume this Agreement to the extent legally possible.

ARTICLE 16
NO DISCRIMINATION

The Company and the Union agree that the operation or application of various provisions of this Agreement shall in no way serve to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment or otherwise affect his status as an employee because of such individual's age, race, color, creed, sex or national origin.

When used in Agreement, the masculine pronoun shall be deemed to include the feminine equivalent thereof.

ARTICLE 17
DATE AND TERM -
TERMINATION - AMENDMENT

17.1 Effective Date and Term

This Agreement, when signed by the Company and the Local Union or their authorized representatives and approved by the International Office of the Union, shall take effect as of June 1, 1994 with increased wages to take effect in accordance with the Schedule of Wages appended hereto and made a part hereof, and shall remain in effect through May 31, 1997. It shall continue in effect from year to year thereafter, from June 1 of each year through May 31 of the following year, unless changed or terminated in the manner provided herein.

17.2 Negotiations - Changes or Termination

Either party desiring to change or terminate this Agreement must notify the other in writing at least sixty (60) days prior to June 1st of any year after 1995. When notice for changes only is

given, the nature of changes desired shall be specified in the notice; however, the listing of changes shall not preclude submission of other changes desired during negotiation. If the parties cannot agree upon changes, either party shall have a right to terminate the contract.

17.3 Amending Agreement During Term

This Agreement shall be subject to amendment at any time by mutual consent of the parties hereto. Any such amendment agreed upon shall be reduced to writing, signed by the parties hereto and approved by the International Office of the Union.

IN TESTIMONY WHEREOF the parties hereto have executed this Agreement this day and year first above written.

For CONCORD ELECTRIC COMPANY

By/s/ Richard M. Heath
Vice President and General Manager

For the employees of CONCORD ELECTRIC COMPANY covered by this Agreement and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS AND LOCAL UNION NO. 1837.

By/s/ Michael R. Paquet
Chief Steward

By/s/ William D. Tarallo
Business Manager

APPROVED International Office - I.B.E.W.

J.J. Barry, President _____. This approval does not make the International a party to this agreement.

CONCORD ELECTRIC COMPANY
RETIREMENT PLAN

A retirement plan is provided for employees and is briefly outlined below. In the event there shall be enacted state or federal legislation which conflict with the terms of the below plan, state or federal legislation will govern.

The word "wages" as hereinafter used, shall mean straight-time wages, and shall include no daily or weekly overtime.

Eligibility

Any employee of the Company shall or may retire on a retirement benefit subject to the provisions and conditions hereinafter set forth:

1. An employee who has attained the Normal Retirement Date (first day of the month in which occurs an employee's 65th birthday) and ceases active service with the Company shall be entitled to a pension.
2. An employee shall be entitled to retire before attaining the age of sixty-five (65) years if the employee becomes unable to perform such employee's work for the Company because of a permanent disability. In order to be eligible for a disability pension the employee must:
 - a. Be totally disabled
 - b. The disability must continue for at least six (6) months.
 - c. The employee must be at least thirty-eight (38) years of age with twenty (20) years of Vested Service.
 - d. He must qualify for disability benefits under the Social Security Act in effect at the time.
 - e. The disability must not have been incurred while the employee was engaged in:

- (1) criminal act
- (2) service in the armed forces
- (3) habitual drunkenness or addiction to a narcotic
- (4) intentional self-inflicted injury
- (5) act or disease resulting during the course of employment with an employer other than the company

Further, that the disability pension may be discontinued should the employee refuse to be examined by a physician designated by the Plan.

The pension would be computed on the basis of the accrual to date of such retirement with no actuarial reduction.

3. An employee with fifteen (15) years of Vested Service and who has attained age fifty-five (55) may elect to retire on an Early Retirement Date, which may be the first day of any month thereafter prior to the employee's normal Retirement Date. The Company requests that the employee notify the Company in writing at least ninety (90) days prior to such date of intention to retire early.

Determination of Amount of Normal Retirement Benefits

A. Basis

The basis for the computation of the amount of the retirement benefit shall be the employee's average monthly wages for any consecutive five-year period during the employee's last twenty (20) years of Credited Service, whichever amount is larger.

B. Amount

Based upon average monthly wages determined as above stated, the employee shall be eligible for a monthly retirement benefit payable in advance, computed as follows:

1. For each of the first twenty full years of Credited Service - 2% (two percent) of said average monthly wage.
2. For each full year of Credited Service in excess of twenty full years and not in excess of thirty full years - an additional 1% (one percent) of said average monthly wages.

3. For each full year of Credited Service in excess of thirty years - an additional 1/2 of 1% (one-half percent) of said average monthly wages reduced by:
4. Fifty percent (50%) of such employee's Primary Social Security Benefit Payable under the Federal Social Security Act in effect on December 31, 1970: and
5. The amount of monthly retirement benefit, if any, to which he is entitled under any retirement plan maintained by a former employer for which credit is given under the Plan.

Determination of Amount of Early Retirement Benefits

The monthly amount of Early Retirement Benefit payable to an employee retiring on his Early Retirement Date shall be equal to the employee's Normal Retirement Benefit based on Credited Service to his Early Retirement Date, reduced on the basis of the following schedule:

Early Retirement Age	Percent Reduction of Normal Retirement Benefits	Early Retirement Expressed as % of Normal Retirement Benefits
64	0%	100%
63	0%	100%
62	0%	100%
61	0%	100%
60	0%	100%
59	5%	95%
58	10%	90%
57	15%	85%
56	20%	80%
55	25%	75%

Normal Form of Benefits

A. Monthly Annuity for Life

An employee who is unmarried at retirement will receive a retirement benefit as a monthly annuity for as long as the employee lives. Upon death, no death benefits will be payable to any beneficiary.

B. Joint and Survivor Annuity with Spouse

An employee who is married at retirement and who does not elect to receive the retirement benefit as a monthly annuity for life, or as one of the Optional Forms of Benefits, will receive an actuarial reduced benefit for as long as the employee lives with fifty percent (50%) of such reduced benefit payable after death to the employee's spouse for as long as such spouse lives. The reduction is based upon the life expectancies of the employee and spouse on the employee's retirement date.

Optional Form of Benefits

A. Contingent Annuitant Option

An employee may elect, instead of his retirement benefit as heretofore provided, to have reduced retirement benefits made commencing on the employee's retirement date and after death such reduced payments, or any lesser amount selected by the employee, will be continued to the designated beneficiary, if living after the employee's death, for the beneficiary's lifetime.

B. Ten (10) Year Certain and Life Annuity

An employee may elect that the retirement benefit, payable on the retirement date, be reduced with the guarantee that not less than one hundred and twenty (120) monthly payments will be made either to the employee or the named surviving beneficiary who survives him.

C. Five (5) Year Certain and Life Annuity

An employee may elect that the retirement benefit, payable on the retirement date, be reduced with the guarantee that not less than sixty (60) monthly payments will be made either to the employee or the named surviving beneficiary. If any of the above options are elected, the provisions for a minimum annual retirement benefit shall only apply prior to any reductions under the above options.

Minimum Company Contribution to Retirement Benefit

In no event will the Company pay any employee who retires with fifteen (15) years of Vested Service an annual normal retirement benefit of less than \$1,200 in addition to such sums, if any, as the employee may receive as "Primary Insurance Benefits" under the Federal Social Security Act and as unemployment compensation.

Spouse's Benefits

A spouse's Benefit shall be payable to an employee's spouse in the event of the employee's death prior to the Normal Retirement Date, provided at least fifteen (15) years of Vested Service was completed and has been married to the surviving spouse for at least one (1) year.

The monthly amount of the Spouse's Benefit shall be one-half of the amount of Retirement Benefit which would have been payable had the deceased employee retired, rather than died, on the day before death, reduced, however, by one percent (1%) for each full year in excess of two (2) by which the deceased employee's age exceed his Spouse's age.

A minimum of fifty dollars (\$50.00) per month shall be payable.

Spouse's Benefit payments shall terminate with the last payment due preceding death.

Deferred Termination Benefit

An employee who terminates his employment after five (5) or more years of Vested Service shall be entitled to a Deferred Termination Benefit equal to that portion of his Normal Retirement Benefit accrued to the date employment terminates.

A Deferred Termination Benefit shall commence on an employee's Normal Retirement Date. However, a terminated employee who has attained age fifty-five (55) and has completed fifteen (15) years of Vested Service, may elect to have his benefit commence as of the date such age is attained.

The specific details of the retirement plan will be as described in the retirement plan documents. In the event of any conflict between this summary and the Plan Document, The Plan Document will govern. While the Company expects to continue indefinitely the benefits provided for under the retirement plan, it agrees to continue them only for the term of the Contract with the employees of the Concord Electric Company covered by the Agreement and the International Brotherhood of Electrical Workers and Local Union No. 1837, Unit #1, dated June 1, 1994.

In the event there shall be enacted after June 1, 1994, state or federal legislation which conflicts with the Pension Plan (Group Insurance) provisions, outlined above, the state or federal legislation will govern.

CONCORD ELECTRIC COMPANY

GROUP INSURANCE

There shall be maintained a Group Life Insurance and Group Accident and Sickness program with the following benefits:

Term Life Insurance Plan

Employees are eligible for group life insurance coverage equivalent to two times their basic annual wages (basic hourly wage time 2080) reduced to the next lower full thousand, up to a maximum of \$50,000. Concord Electric Company pays insurance premium cost.

Accidental Death And Dismemberment

Employees are eligible for accidental death and dismemberment coverages up to a maximum of \$5,000.

Concord Electric Company pays insurance premium cost.

Comprehensive Medical Plan

A Comprehensive Medical Plan is provided for employees and their eligible dependents and is briefly outlined as follows:

- A. Deductible: Subscriber is responsible for first \$100 of "covered medical expenses" for each member each calendar year, with a maximum of three deductibles per family each calendar year.
- B. Coinsured: Program pays 80% of first \$2,000 of "covered medical expenses" in excess of deductible for each member each calendar year.
- C. Paid-In-Full: "Covered medical expenses" in excess of the coinsured amount and the deductible are paid-in-full for the remainder of the calendar year.
- D. Maximums: Maximum lifetime benefit per member is \$1,000,000 (benefit for the outpatient treatment of mental and nervous disorders is limited to \$5,000 per calendar

year, lifetime maximum of \$10,000). Maximum out-of-pocket cost for "covered medical expenses" is \$500 per member each calendar year.

Covered medical expenses include charges which are medically necessary, usual, customary reasonable, and not specifically limited by the insurance contract.

Group Dental Plan

Group Dental Care Insurance is provided for employees and their eligible dependents and is briefly outlined as follows:

Deductible

There is one \$25.00 deductible per person per Calendar Year with a maximum of \$75.00 per family each Calendar Year. This deductible does not apply to Coverage I and IV benefits, but does apply to Coverage II and III benefits.

Coverage I - Diagnostic and Preventative, 100% Payment.

Diagnostic

- Initial Examination;
- Examinations to determine the required dental treatment two times in a calendar year;
- Full Mouth/Panorex X-Rays once in a three (3) year period;
- Bitewing X-Rays once in a calendar year;
- X-Rays of individual teeth as necessary.

Preventative

- Cleanings two (2) times in a calendar year;
- Fluoride - once in a calendar year (age limit 19);
- Space Maintainers.

Coverage II - Restorative, after deductible, 80% paid by insurance, 20% paid by patient.

- Amalgam, Silicate and Acrylic restorations;
- Oral Surgery - Extractions;
- Endodontics - Pulpal therapy; root canal therapy;
- Periodontics - Treatment of gum disease, includes periodontal cleanings;
- Denture Repair - Repair of removable denture to its original condition;
- Emergency Treatment - Palliative.

Coverage III - After deductible, 50% paid by insurance, 50% by patient.
Crowns and build-ups for crowns;

First placement of inlays and bridges;

First placement of partial or full dentures.

Coverage IV - Orthodontia, 50% paid by insurance, 50% paid by patient.
Maximum Contract Year Benefit -

The maximum amount which the plan will pay is
\$750 per person per Calendar Year. Orthodontia
lifetime maximum is \$1,000 per person.

This benefit summary is for informational
purposes only. The benefits are described more
fully in the applicable master group insurance
policy. The extent of coverage for each
individual is governed at all times by that
document. In the event of any conflict between
this summary and the plan documents, the plan
document will govern.

While the Company expects to continue
indefinitely the benefits provided under these
plans, it agrees to continue them only for the
term of the Contract with employees of Concord
Electric Company covered by the Agreement and
International Brotherhood of Electrical Workers
and Local Union No. 1837, dated June 1, 1994.

MUTUAL WORKING AGREEMENT
BETWEEN
CONCORD ELECTRIC COMPANY
AND
IBEW LOCAL UNION NO. 1837

Utility Maintenance Worker

It is agreed that the hours of this position may deviate from those outlined in Article 3, Section 3.1 of the current Contract, upon mutual agreement by the Union and the Company. The change in hours would be 7 a.m. to 3 p.m. on any given workday (s), Monday through Friday. Either party to this agreement can choose to revert to the contractual hours without the mutual consent of the other party at any time, with reasonable notice, unless an emergency situation arises.

Signed:

By/s/ Michael R. Paquet
Chief Steward

By/s/ Thomas L. Biklen
Operations Manager

Date: May 25, 1994

Date: May 25, 1994

EXHIBIT A

CONCORD ELECTRIC COMPANY
SCHEDULE OF WAGES

Pay Period May 29, 1994 through May 31, 1997
 Contract Period June 1, 1994 through May 31, 1997

	Rate Effective		
	5/29/94	5/28/95	5/26/96
Line Department			
Lineworker I - RG	20.06	20.71	21.33
34.5 kV			
Utility Lineworker I	19.86	20.49	21.09
Lineworker I	19.46	20.09	20.69
Lineworker II			
Fourth 6 months	16.73	17.27	17.79
Third 6 months	16.01	16.53	17.03
Second 6 months	15.21	15.70	16.17
First 6 months	17.78	15.26	15.72
Lineworker III			
Second 6 months	14.17	14.63	15.07
First 6 months	13.32	13.75	14.16
Lineworker			
Apprentice			
Second 6 months	13.10	13.53	13.94
First 6 months	12.89	13.31	13.71
Meter Department			
Meter Mechanic I	17.64	18.21	18.76
Meter Mechanic II			
(Third 16 months)	15.20	15.69	16.16
Meter Mechanic III			
(Second 16 months)	13.83	14.28	14.71
Meter Mechanic			
Apprentice			
(First 12 months)	12.35	12.75	13.13
Operation			
Technician I	16.73	17.27	17.79
Operation			
Technician II			
(Second 16 months)	14.99	15.48	15.94
Operation			
Apprentice			
(First 12 months)	13.46	13.90	14.32
Meter Readers			
Meter Reader I	13.68	14.12	14.54
Meter Reader II			
(First 12 months)	13.04	13.46	13.86
Station Attendant			
Station Attendant I	16.04	16.56	17.06
Station Attendant II	15.39	15.89	16.37
Maintenance			
Department			
Automobile	17.09	17.65	18.18
Mechanic I			
Maintenance Worker	14.54	15.01	15.46
Utility	14.00	14.46	14.89
Maintenance Worker			
Stockroom			
Stockclerk I	13.68	14.12	14.54
Stockclerk II			
(First 12 months)	12.11	12.50	12.88
Office			
Operation Office Clerk	10.05	10.38	10.69

DUES DEDUCTION

I hereby authorize and direct Concord Electric Company to deduct union membership dues from my pay on a weekly basis.

The amount of dues to be deducted will be determined by the Chief Steward of the Union in accordance with the by-laws of Local Union 1837 and the Constitution of the International Brotherhood of Electrical Workers.

The Chief Steward will notify the Company in writing of the specific amount to be deducted for each Union member.

The Company will notify the Chief Steward of the Local Union prior to, or contemporaneously with, any permanent hourly rate change of a Union member that occurs during the life of this agreement.

The Chief Steward shall notify the Company in writing of any change in the amount to be deducted for any Union member and such change will become effective with such member's next pay check.

EXHIBIT B

Page 2 of 2

IBEW LOCAL 1837 DUES AUTHORIZATION AND DEDUCTIONS

Member	Weekly Dues	Member's Signature	Date
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I CERTIFY THESE AMOUNTS ARE CORRECT AND IN ACCORDANCE
WITH THE BY-LAWS OF LOCAL UNION 1837 AND THE
CONSTITUTION OF IBEW.

_____	Date _____
Chief Steward	

Agreement Between
Fitchburg Gas and
Electric Light Company

and

The Brotherhood of Utility Workers
of New England, Inc.

Local Union No. 340

May 1, 1994 - April 30, 1997

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AGREEMENT made and entered into by FITCHBURG GAS AND ELECTRIC LIGHT COMPANY, a Massachusetts corporation hereinafter called the "Company" and THE BROTHERHOOD OF UTILITY WORKERS OF NEW ENGLAND, INCORPORATED, LOCAL NO. 340, thereof, and the employees of the Company who are now or may hereafter become members of said Local, hereinafter called the "Brotherhood".

WITNESSETH that:

WHEREAS, the Brotherhood represents a majority of all employees of the Company at its Fitchburg, Massachusetts plant, excluding confidential employees, executives, foreman, crew foreman, and all other supervisory employees who have authority to hire, promote, discipline, discharge or effectively make such recommendations, and has been designated by said majority to be the exclusive representative of all said employees for the purposes of collective bargaining with respect to rate of pay, wages, hours of employment and other conditions of employment; and

WHEREAS, both the Company and the Brotherhood desire to promote harmony and efficiency in the working forces so that the employees and the Company may obtain mutual economic advantages consistent with the duty of the Company as a public utility to provide at all times an adequate and uninterrupted supply of electric and gas services in the territory and communities which it serves.

NOW, THEREFORE:

As to wages to be paid by the Company, as to working conditions involved in the Company's operations, and as to the application of the principle of seniority to changes in the Company's forces, the parties hereto, each by its duly authorized representatives, agree as follows:

ARTICLE I DEFINITIONS

The Company and the Brotherhood mutually agree that for the purpose of this agreement, the following definitions apply:

Regular Employee - one who, subject to a six (6) months' probationary period, is hired on a regular basis.

Temporary Employee - one who is hired for a specific job and/or period of time but who it is not intended shall become a regular employee as defined above and whose employment is not intended to last for more than (six) 6 months. If his employment continues for more than six (6) months, he becomes a "regular" employee as defined above.

Part-time Employee - an employee who is hired to work less than the regularly scheduled workweek.

ARTICLE II RECOGNITION OF BROTHERHOOD

The Brotherhood is hereby recognized as the exclusive representative of all employees of the Company at its Fitchburg,

Massachusetts plant, excluding confidential employees, executives, foremen, crew foremen and all other supervisory employees who have authority to hire, promote, discipline, discharge or effectively make such recommendation for the purposes of collective bargaining with respect to wages, hours of employment and other conditions of employment.

ARTICLE III BROTHERHOOD MEMBERSHIP REQUIREMENTS

The Company agrees that until the termination of this agreement it will require as a condition of employment that all employees subject to this agreement shall become members of the Brotherhood.

The Company agrees that it shall require as a condition of employment that all new employees hereafter employed by the Company in any class of work to which this agreement applies shall become members of the Brotherhood after the thirtieth day following the beginning of their employment and shall continue as members thereafter while this agreement is in effect and their classification is subject to the terms of this agreement. The Company and the Brotherhood mutually agree that this provision in no way affects the other terms and conditions of employment applicable to temporary and probationary employees set forth in this agreement.

Any employee who has been exempted from the Brotherhood membership requirement under the provisions of this article but who is transferred or demoted while this agreement is in effect to a class of work which is subject to the Brotherhood membership requirement shall become a member of the Brotherhood within thirty (30) days after the effective date of such transfer or demotion.

The provisions of this article shall not apply to anyone exempted from the provisions of this agreement, nor to student engineers who may be assigned from time to time to any of the departments of the Company.

In no event will any employee be required, as a condition of employment, to become a member of the Brotherhood until after the thirtieth day following the beginning of his employment or the effective date of this article, whichever is the later.

Any employee of the Company who at any time while this agreement is in effect has been performing a class of work which is subject to the Brotherhood membership requirements of this Agreement, but who is subsequently transferred or promoted to a class of work which is not subject to the Brotherhood membership requirements of this Agreement shall have the privilege of withdrawing from Brotherhood membership.

ARTICLE IV REGULAR WAGES

Section 1. Effective on the date indicated therein, employees who are receiving the ultimate rate of the class to which they are permanently assigned shall be paid wages in accordance with the Schedule of Wages showing classifications and the rated wage of each class. Said Schedule of Wages of footnotes and accompanying paragraphs are attached hereto and made a part hereof, and are set forth at pages 52 to 58, inclusive, hereof.

Section 2. If, upon the effective date of said schedule, an employee is not receiving the ultimate rate of the class to which he is permanently assigned, then, the present wage of such employee shall be increased in an amount equal to the difference between the ultimate rate of the class in effect at the time of the last prior wage schedule and the ultimate rate of the class of the wage schedule effective herein.

Section 3. The following conditions shall control, limit, restrict and govern the application of said schedule.

An employee, if awarded the next higher-rated job in the same roster will receive the higher rate from the date of the award. In other cases where an employee is awarded a bargaining unit job, the employee's rate of pay shall be as follows:

(a) Twenty-five cents (\$.25) per hour more than the

employee's present rate of pay or the rate of the new job, whichever is less, no later than one week after the date of the award.

(b) Twenty-five cents (\$.25) per hour more than the rate arrived at in (a) above or the rate of the new job, whichever is less, thirty days from the date of the award.

(c) The ultimate rate of the new job ninety (90) days from the date of the award.

Section 4. Clerical Progression and Pay Plan (See Page 57) is not subject to Section 3 above.

Section 5. New employees hired during the term of this agreement will receive a starting wage that shall not be less than eighty-five per cent (85%) of the ultimate rate for the class of work to which they are assigned. When an employee has completed his or her probationary period, the employee's rate of pay shall be subject to the provisions of paragraphs (a), (b), and (c) of Section 3 above, substituting "six months anniversary date" for "date of the award" in that Section.

Section 6. In no event shall the resulting wage from time to time exceed the rated wage for the applicable class established by the Schedules of Wages, attached hereto and made a part hereof.

ARTICLE V OVERTIME COMPENSATION

Section 1. Employees subject to this agreement shall be paid wages at the rate of time and one-half for all work that does not occur within their regularly scheduled work day or week.

(a) Employees normally scheduled to work more or less than eight (8) hours within a day shall be paid overtime at one and one-half times their regular rate for all work that does not occur within such scheduled hours provided that no employee shall be paid both daily and weekly overtime on account of the same hours of overtime worked.

(b) Employees, when required to work on their regularly scheduled days of relief, shall be paid overtime at the rate of one and one-half times their regular rate, subject to the provision for double time on the second day of relief which is the seventh day of work, a provision set forth in the paragraphs following the schedule of wages attached hereto. "Regular rate", for the purpose of this section, shall mean the regular hourly rate of the employees.

Section 2. Employees subject to this agreement shall be paid a minimum of three (3) hours at the time and one-half or overtime for actual time worked, whichever is greater, for each period of time worked during unscheduled hours.

This minimum shall not apply:

(a) In any case where employees are assigned to work continuous overtime from the end of their regular workday, but in that event, payment shall be at the overtime rate for such continuous time, or

(b) In any case where employees are called out or assigned during the lunch hour.

If an employee is scheduled in advance for overtime work on a day of relief, he will be paid the minimum if the overtime work is cancelled unless he is notified of the cancellation prior to the close of the preceding regularly scheduled workday. If no such notice is given, the employee will report for work as scheduled, unless otherwise notified.

If such overtime is scheduled on a regular workday, the minimum will apply unless the employee is notified of cancellation prior to the end of such regular workday.

When planned overtime is scheduled for Saturday, or Sunday, the Company will notify the employees involved at least forty-eight

(48) hours prior to Saturday, to the extent such notice is practicable and provided the Company has knowledge of the need for scheduling such work sufficiently in time to give such notice. If notice is given, but the planned overtime is later cancelled, the minimum penalty for cancellation of planned overtime will not apply if notice of the cancellation is given prior to the end of the regularly scheduled workday on Friday.

There will be a single overtime list for planned and unplanned overtime.

The overtime equalization schedules on the Bulletin Boards are regarded as an equalization of overtime agreement.

If an employee is entitled to overtime under the equalization provisions of the contract and is not requested to work such overtime, the employee will be provided overtime work to be assigned by the supervisor within seven days of acknowledgment by the supervisor that the employee was entitled to the overtime. Refusal of the overtime work by the employee will negate any further penalties by the Company.

In the event there is a call out while the employee is on this overtime assignment, the employee will be assigned the call out even if he/she is not entitled to the call out based on the equalization list. The overtime assignment must be appropriate for the classification of the employee.

The overtime assignment will be for a minimum of three hours or longer if the call out extended for a longer period of time.

Section 3. If an officer, steward, or committeeman of the Brotherhood is unavailable for overtime work because of Brotherhood business, such unavailability will not be charged against him for purposes of determining whether there has been an equitable distribution of overtime.

Section 4. An employee on vacation for five (5) consecutive days or is sick is not considered available for overtime and such unavailability will not be charged against him for purposes of determining whether there has been an equitable distribution of overtime. Vacation will commence at the end of the employee's shift and end at the start of the employee's next scheduled shift.

Section 5. Emergency Storm Work Premium 5/1/87

It is sometimes necessary to assign outside physical workers for more than 24 hours because of severe storms causing extensive interruptions to service. The senior staff member responsible for operations will determine when this policy goes into effect.

When these employees are so assigned to work for a period of more than 24 hours under this policy, including travel time, the method of payment will be as follows:

- (a) The outside physical workers so assigned will be paid for working time at the rate of one and one-half times their regular straight time rate and for rest time at their regular straight time rate.
- (b) The Rest Period Policy will not apply during this emergency work when employees are being paid under (a), but every effort will be made to give employees adequate rest time. It is intended that an employee who has worked continuously for sixteen hours be given at least eight hours rest and be paid for this rest time at his regular straight time rate, but if it is not given, the employee will be entitled to compensating rest time at a later time for that portion of the eight hours rest time which was not given.
- (c) If a holiday occurs during this assignment, working time shall be paid for at the rate of two and one-half times the regular straight time rate and rest time at the regular straight time rate.
- (d) When the 24-hour period has ended and the emergency is

over the normal method of
payment and rest time procedures will be in effect.

ARTICLE VI
APPLICATION OF RATED WAGE

Section 1. The application of a rate of pay shall be based on the duties performed.

Section 2. If, during the course of the daily work schedule, an employee is temporarily assigned (but not promoted) to a higher class of work for a period of three (3) hours or more, such employee shall receive the scheduled wage of such higher class for all hours worked within the daily work schedule.

Note: This does not apply to employees in Clerical Wage Structure Pg. 57.

Section 3.

(a) Employees subject to the provisions of this agreement shall receive normal straight-time compensation for eight (8) hours on eleven (11) recognized holidays, as listed below:

New Year's Day	January 1
Martin Luther King	Third Monday in January
Patriot's Day	Third Monday in April
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Day	December 25

Employees who have completed six months of service are entitled to receive a twelfth holiday, formerly the birthday holiday, to be observed as follows:

- a) On the employee's birthday,
- b) Any day within the calendar year.

Department head approval is required if taken under option b.

If the legal holiday occurs on Saturday, one of the following three options may be made available to one or more employees not scheduled to work on that day, in lieu of normal straight-time compensation, where the Department Head determines that it is feasible to make the option available in that Department:

- a. A day off on Friday preceding the Saturday holiday.
- b. A day off on Monday following the Saturday holiday; or
- c. A day off on any date following the holiday.

(b) If employees are assigned to work on a holiday recognized hereunder which occurs on a workday within their scheduled workweek, they shall receive, in addition to the holiday pay described in [a] and [b] above, time and one-half for all hours worked in their normal schedule and two and one-half times their normal straight-time rate for hours worked outside their normal schedule within the holiday period, or the minimum, whichever is greater.

(c) If employees are assigned to work on a holiday recognized hereunder which does not occur on a workday within their scheduled workweek, they shall receive, in addition to the holiday pay described in (a) and (b) above, twice their normal straight-time rate for the first (8) hours worked and two and one-half times their normal straight-time rate for time worked in excess of eight (8) hours within the holiday period, or the minimum, whichever is greater.

(d) Existing Night Troublemens will work the Christmas and New Year Schedule - Normally - one will work one Holiday - the other Troublemans will work the other.

Section 4. Where an employee of ten (10) years or more of continuous service, because of disability, is or becomes unable to continue to perform assigned duties based on classification as of the date of disability, the rights of such employee and the obligations of the Company under such circumstances shall be determined in accordance with "Disability Retrogression Pay Plan"

included herein and made a part hereof under Article XVI on pages 23 to 25, inclusive.

Section 5. Employees may be temporarily assigned to another class of work in the same or a different roster for a temporary period of time not to exceed fifteen (15) days per year.

Management shall determine the roster from which employees are assigned. The selection will be according to the following criteria:

1. Voluntary by seniority
2. Junior qualified employee

Each temporary assignment shall be for a minimum of one (1) full day. These assignments shall not be used to fill permanent vacancies.

ARTICLE VII HOURS AND DAYS OF WORK

Section 1. Eight (8) consecutive hours shall constitute the regular daily assignment and five (5) days of eight (8) consecutive hours shall constitute the regular weekly assignment of all employees coming within the scope of this agreement, insofar as such assignments do not interfere with presently established practices.

Section 2. Hours for Customer Services

Employees assigned to the Customer Services section will have a regular work schedule of 8:00 a.m. to 5:00 p.m., with a one-hour lunch period. If workload requirements change, the supervisor will notify employees that the work schedule has been changed to 8:00 a.m. to 5:00 p.m. with a 20-minute paid lunch.

Two (2) positions, one Customer Service and one Credit will be the hours of 12 noon to 8:00 p.m.. These positions will be posted and if necessary junior employees (new hires) will be assigned.

Section 3. Hours in Service Department 5/1/87

The second shift in the Service Department will be:

December 1st to March 31st	-	4:00 p.m. to 12:00 Midnight
April 1st to November 30th	-	1:00 p.m. to 9:00 p.m.

Effective May 1, 1987, the schedule for the Consumer Aide assigned to Dispatch will be 8:00 a.m. to 5:00 p.m.

Section 4. Hours for Janitor 5/1/89

The hours of work of the Janitor will be Sunday 5:00 p.m. to 2:00 a.m. Monday, and 2:00 p.m. to 10:00 p.m. Monday through Thursday.

Section 5. Production Department - Hours of Work

During the non-production season, LNG and Propane Plant inspections will be performed on a mandatory planned overtime basis on Saturdays, Sundays and holidays by Roster 19 personnel.

Section 6. Hours for Fleet Mechanic

The hours of work for the Fleet Mechanic will be as follows:

April 1 to November 30	-	7:30 a.m. - 3:30 p.m.	Monday - Thursday
		6:00 a.m. - 2:00 p.m.	Friday
December 1 to March 31	-	7:30 a.m. - 3:30 p.m.	Monday - Thursday
		8:30 a.m. - 4:30 p.m.	Friday

ARTICLE VIII DAYS OF RELIEF

Section 1. Days of relief now established shall not be changed without good and sufficient cause. When new positions are created, days of relief shall be established for such new positions and shall not be changed thereafter without good and sufficient cause.

Section 2. Whenever employees are replaced in any class of work where continuous operation is necessary, the prevailing days of relief established with each assignment within such class shall not be changed without good and sufficient cause.

Section 3. In departments or groups where continuous operation is not necessary, every effort will be exerted by the Company to establish the days of relief in accordance with the desires of the employees.

Section 4. Employees will not be compelled to change their days of relief with other employees.

ARTICLE IX MEAL PERIODS

Section 1. A meal period of not less than thirty (30) minutes nor more than one (1) hour shall be arranged for employees unless otherwise mutually agreed upon.

Section 2. The meal period shall be assigned between the end of the third hour after reporting for duty and the beginning of the sixth hour after reporting for duty.

Section 3. Where the nature of the service requires continuous operation, eight (8) consecutive hours may be worked during which twenty (20) minutes shall be allowed for lunch at reasonable and convenient times without interruption of service and without deduction in pay.

Section 4.

(1) From January 1 through December 31, employees in the following Rosters will bring their lunch and will work a straight eight (8) hours (as specified below) with a twenty (20) minute lunch period provided, (normal lunch period to start four (4) hours after starting time) and with no deduction in pay for this twenty (20) minute period.

Roster #3	8:00 a.m. to 4:00 p.m.
Roster #5	8:00 a.m. to 4:00 p.m.
Roster #6	8:00 a.m. to 4:00 p.m.
	or, 8:30 a.m. to 4:30 p.m.
Roster #9	8:00 a.m. to 4:00 p.m.
Roster #16	7:30 a.m. to 3:30 p.m.

(2) From April 1 through November 30, employees in the following Rosters will bring their lunch and will work a straight eight (8) hours (as specified below) with a twenty (20) minute lunch period provided, (normal lunch period to start four (4) hours after starting time) and with no deduction in pay for this twenty (20) minute period.

Roster #7	7:30 a.m. to 3:30 p.m.
Roster #8	7:30 a.m. to 3:30 p.m.
Roster #15	7:30 a.m. to 3:30 p.m.

(3) From December 1 through March 31 employees in the following Rosters will bring their lunch and will work a straight eight (8) hours (as specified below) with a thirty (30) minute lunch period provided, (normal lunch period to start four (4) hours after starting time) and with no deduction in pay for this thirty (30) minute period.

Roster #7	7:00 a.m. to 3:30 p.m.
Roster #8	7:30 a.m. to 3:30 p.m.
Roster #15	7:30 a.m. to 3:30 p.m.

(4) From January 1 through December 31, the stockman and stock clerk will establish a work schedule to ensure coverage of the stockroom from 7:00 a.m. to 5:00 p.m. Meal schedules will normally consist of one hour to be alternated between the two classifications. During any absence, coverage will be provided by the remaining employee on an overtime basis, working a straight eight (8) hours with a twenty (20) minute lunch period.

Section 5. The Company will pay a meal allowance to an employee when their normal meal period is disrupted by emergency overtime work and the work period extends beyond three (3) hours. In the event employees work two (2) or more hours of continuous emergency overtime, after an eight (8) hour work period, and such overtime extends through a normal meal period, the company will pay a meal allowance for the employee. If the overtime work ends simultaneously with the expiration of two (2) hours after the end of an eight (8) hour period, the company will pay an allowance of \$3.00 in lieu of a meal and meal period. If the overtime work

ends within thirty (30) minutes after such two (2) hour periods and the meal and meal period have not been given, the employee will receive a meal allowance. The above does not require the furnishing or paying for a meal occurring during an eight (8) hour work period on an employee's day of relief when the employee is able to plan for such a meal.

The meal allowance is:

Breakfast	\$ 7.50
Lunch	\$ 7.50
Supper	\$ 10.00

Emergency overtime is defined as overtime work where the notice given the employee is twenty-four hours or less.

Section 6. Employees engaged in emergency overtime work will be paid an allowance for the normal meal period that is disrupted and granted a meal period of twenty (20) minutes without deduction in pay and will be granted an allowance every six (6) hours later.

Section 7. When a regular meal period is established, it shall not be changed without good and sufficient cause.

Section 8. The meal allowance will not apply during emergencies involving employees working more than eight (8) hours beyond the normal work day. During emergencies, the reasonableness of the cost of the meal shall be subject to the approval of the department head.

ARTICLE X VACATIONS

Section 1.

(a) Employees continuously employed prior to June 1 for less than one (1) year, but more than six (6) full months, will be entitled to a vacation with straight-time pay for two (2) normal working days for each full month of employment in excess of six months prior to such June 1st.

(b) Employees, after one (1) year of continuous service prior to June 1 of the year in which their vacation occurs, will be entitled to two (2) weeks' vacation with straight-time pay.

(c) Employees with five (5) full years of continuous service will be entitled to three (3) weeks' vacation beginning in the year in which such service is completed.

(d) Effective 5/1/89, employees with ten (10) full years of continuous service shall be entitled to four (4) weeks' vacation beginning in the year in which such service is completed.

(e) Employees with twenty (20) full years of continuous service shall be entitled to five (5) weeks' vacation beginning in the year in which such service is completed.

(f) Employees with over twenty-five (25) years of service shall be entitled to one (1) day of vacation for each full year beginning with the twenty-sixth (26) year and ending with the thirtieth (30) year, vacations beginning in the year in which such service is completed.

Section 2. Vacations will be granted according to a schedule approved by the Company, and insofar as possible, seniority will govern. One (1) of the three (3) weeks of vacation, two (2) of the four (4) weeks of vacation and three (3) of the five (5) weeks of vacation for those employees who are eligible may be scheduled by the Company at any time during the calendar year. If an employee is unable to start his vacation as scheduled, such vacation will be rescheduled by the Company at the earliest opportunity.

Section 3. Employee's vacation pay will be the greater of his regular straight-time pay at the time of vacation or the average of his straight-time earnings in the previous calendar year.

Section 4. If, during an employee's vacation period, a holiday, recognized under this contract, falls on a normal workday of the employee, he shall receive an additional day off at a time to be designated by the Company, or in lieu thereof, normal vacation pay, provided, however, in no event, will any

employee receive pay or time off for holidays in excess of that described in Article VI, Section 3 on page 6.

Section 5. All departments within the Company will distribute vacation selection forms to be completed by December 31 for scheduling vacations in January, February and March of the following year. Vacation schedule forms will be issued, and are to be completed by April 30, for employees to select their remaining vacations.

All months of the year will be used by all departments for vacation scheduling. Department Managers will exercise discretion as to the number of employees on vacation at any one time.

Section 6. For purposes of vacation scheduling in the Street Department and Line Department (exclusive of underground personnel) the following provisions shall apply:

The year will be divided into the following three periods for taking vacation.

Period I: The prime period consisting of June, July, August and September. During this period, employees may take up to two weeks of vacation.

Period II:
The months of April, May, October, November and December. During these months, an employee may take two weeks of vacation.

Period III:
The months of January, February, and March. During these months, an employee will take any remaining vacation not taken in Periods I and II.

Not more than four (4) linemen may be on vacation at the same time during Period I and Period II, December only. Not more than two (2) linemen may be on vacation at the same time during Period II, except December. Department Head approval is required for more than four (4) linemen to be on vacation at the same time in December. Single days of vacation may be taken in Periods I and II, on the same basis as at present; namely, one (1) day for each week of vacation taken in the period, but they may be taken out of any of the scheduled vacation weeks in either Periods I and II instead of the scheduled vacation in the Period in which the single day is taken.

Section 7. It is recognized that it is generally desirable for vacations to be taken not less than a full week at a time. However, for good reasons and where it can be done without cost or inconvenience to the Company, an employee will be permitted to take vacations less than a week at a time where sufficient notice is given and the Department Head approves.

Section 8. An employee who is separated from the payroll, whether by means of resignation, retirement or pension, discharge or layoff, shall be paid such vacation pay as he is entitled to receive in that calendar year and which he has not already received.

Section 9. Where an employee becomes ill, or a member of his immediate family dies just prior to his scheduled vacation, the vacation will be rescheduled upon his request; scheduled vacation will not be rescheduled if the illness commences after the beginning of the scheduled vacation.

However, if the death of an immediate member of the family (as defined in Article XX, Pg. 29) occurs after the beginning of the scheduled vacation, and the time lost, for the purpose intended, would have been in their normal work schedule, such time will be rescheduled, at a mutually agreed upon later date.

Section 10. For purposes of vacation scheduling in Roster 9 (Meter Reading), the following shall apply: During the period of June, July and August, employees may take up to two (2) weeks of vacation but not more than two (2) employees may be on vacation at the same time during this period. During the remainder of the year only one (1) meter reader may be on vacation at any time.

Section 11. Vacation Entitlement - Personal or Medical Leave

When an employee is on personal or medical leave (Policy A, Pg. 65) for more than twenty-five (25) days in a calendar year, the employee's vacation entitlement for the following year will be prorated based on the number of days the employee is paid wages vs. the number of days of personal or medical leave taken during the year.

Example: Employee is out for 26 weeks ($26 \times 5 = 130$ days) on medical leave. Employee will have 5 years of seniority in March, 1992. Employee would have 3 weeks (15 days) of vacation entitlement. Because the employee was out for 130 days in 1991, employee would be credited with $130/260 = .5 \times 15 = 7.5$ days.

ARTICLE XI
SENIORITY

Section 1. Seniority progression charts showing all classes of employees subject to this agreement and the seniority movement of such employees between classes hereinafter provided for have been prepared jointly by the Company and the Brotherhood. Roster sheets showing the names, classifications, Company seniority, and class seniority ratings of all employees subject to each seniority progression chart have been prepared and posted. The Company shall prepare and post quarterly, revised roster sheets showing any changes affecting the employees on such sheets.

Any employee subject to this agreement who is aggrieved by any change in seniority rating may, within thirty (30) days after such change is posted, and not thereafter, request the Company to correct such rating, and upon adequate proof of error, it shall be corrected in accordance with the facts.

Section 2. It is agreed, that when an employee is assigned to a position, which is not subject to the rules of the Agreement, on a temporary basis, his seniority status will continue in the class which he held at the time of the assignment.

An employee promoted, on a regular basis, to a position in which he is not subject to the rules of the Agreement, and subsequently returns to a classification which is subject to the rules of the Agreement, shall have his seniority status, for unit seniority purposes, reflect only that time served in the Bargaining Unit; i.e., the employee would return to the bottom of the classification from which he came with the seniority he had at the time of his promotion. This period of time will not exceed ninety (90) days.

Section 3. Seniority shall begin when an employee was or shall be first hired by the Company, except that where an employee has been dismissed and rehired or has voluntarily left the employ of the Company and has been rehired, seniority shall begin when such employee was last hired. The seniority rating of employees shall be as follows:

(a) Any present employee of the Company who was in the employ of the Company when seniority was first adopted (June 2, 1946) shall receive credit (in the class of work in which he is then employed) for all prior employment with the Company.

(b) Any present employee of the Company who was hired subsequent to June 2, 1946, shall receive credit beginning with his last hiring date and continuing during the term hereof in each class of work in which he has been or is hereafter regularly assigned.

(c) The foregoing provisions of this section shall not apply to new employees until they have been continuously employed for a period of six (6) months, but thereafter these provisions shall apply to such employees.

If because of a reduction-in-forces an employee is demoted from a class of work to which he was assigned on the date when seniority first became effective as aforesaid, such employee shall be assigned to the head of the list in the class to which he is demoted, but an employee promoted after said date and subsequently demoted because of a reduction in forces shall revert to that place on the list in the lower class which he held before his promotion; provided, however, that when forces are

reduced in the lowest class, necessitating the furloughing of employees, the employee in such class having the shortest total period of service with the Company shall be furloughed first, and so on up through the class.

Employees assigned to any class of work in one department of the Company, if furloughed out of their class of work because of a reduction-in-forces, shall be re-assigned by the Company to the same class of work in the same or some other department of the Company if there is another such class, and, if there is not another such class, then to some other class, provided such furloughed employees are qualified by fitness and ability to perform the work in the new class. When so reassigned, such employees shall have the same seniority rating in the new class which they had in the class from which they were furloughed and they shall displace juniors in the new class.

New employees shall be deemed to be on trial for a period of six months from the date of hiring and within such period the Company shall have the right to discharge any new employee whenever in the opinion of the Company he has not qualified for the work for which he was hired or for other work to which he may be assigned.

The Company shall have the right in its discretion to employ temporary forces for emergencies, vacation relief, or in other unusual situations, and seniority shall not apply to employees in such forces.

The Company may employ student engineers in any class, the total number of student engineers so employed not to exceed three percent (3%) of the number of employees of the Company, and the Company in its discretion and without regard to seniority may assign the work of student engineers in any class or may transfer them from class to class, but in the event that student engineers are assigned to positions permanently such assignments shall be subject to the seniority rights of regular employees affected thereby.

Section 4. If there is seniority movement between the classes involved, when a vacancy occurs in any class, the employee senior in the next lower class shall be entitled to promotion to the vacancy if his fitness and ability qualify him for the position, and when forces are reduced, the last man in the class affected shall be furloughed first, and so on up through the class, employees so furloughed having the rights to displace juniors in a lower class if qualified by fitness and ability.

An employee accepting promotion or transfer to a new class after June 2, 1948, shall have seniority in the new class beginning with the date of such acceptance, and he will retain unimpaired his seniority in the former class without the right, however, to displace juniors in the former class as long as he may have employment in the new class in any position for which he is qualified by fitness and ability.

Section 5. If there is no seniority movement between the classes involved and forces are reduced in a class, an employee who was transferred to such class from another class shall return to his former class without loss of seniority in that class if then qualified by fitness and ability to perform the work in his former class.

Section 6. In the event of a vacancy in an existing position or in a newly created position within each class in any department, notice of the vacancy will be posted at places accessible to employees affected in that department and, Company-wide in all other departments, and shall remain posted for a period of seven (7) days, within which time applicants eligible and desiring to fill such vacancy shall apply in writing to the official of the Company designated in the notice. Such notice shall also set forth the title of the position to be filled, hours of work, days of relief, rate of pay and outline of duties. The bidders will be considered in the following order and the senior qualified bidder will be awarded the job:

- (1) Employees with seniority who have previous time in the class where the vacancy exists, in the order of their seniority in that classification.
- (2) Employees with seniority in the next lower class in the same roster, in the order of

their classification seniority in that classification.

- (3) Employees with seniority in each lower class, in order, in the same roster, in the order of classification seniority within each such class.
- (4) Employees with seniority in a class, if any, above the vacancy and in the same roster, in the order of seniority in such higher classification.
- (5) Employees with seniority from other rosters, considered in the order of their Company seniority.

Within one (1) week after expiration of the posting period the Company shall assign the accepted applicant to such vacancy or newly created position. If the Company anticipates a problem will arise in making the assignment within one (1) week, the Company agrees to discuss this with the Union in advance. When such vacancies occur in positions that are to be refilled, the Company will post notice within one (1) week.

Any employee assigned to a new position shall have thirty (30) days in which to qualify. If he is unable to qualify, he may return to the class from which he came without loss of seniority rating therein. If in the opinion of the Company he is competent, he shall not return to the class from which he came until a vacancy occurs in that class.

Section 7. The seniority status of an employee transferred to a new position or vacancy in another department in accordance with the preceding Section shall begin on the date of his assignment to the new class and he will retain unimpaired his seniority in the former class without the right, however, to displace juniors in the former class as long as he may have employment in the new class in any position for which he is qualified by fitness and ability.

Section 8. When forces are increased in any class, furloughed employees shall be given preference over applicants not previously employed by the Company if they are qualified by fitness and ability to perform the work in the class of service affected.

When employees are furloughed from several classes and a vacancy later occurs in a particular class, furloughed employees from the class where the vacancy occurs shall have preference.

Furloughed employees shall notify the Company in writing on or about the first day of each calendar month that they are available for re-employment, and if offered work by the Company for which they are qualified, they must accept it in writing and report for work within seven (7) days, and furloughed employees failing so to notify the Company of their availability for a period of six (6) months or to accept as aforesaid work so offered shall forfeit all seniority rating.

Section 9. 6/1/67

In reducing and increasing forces, in making promotions, and in making appointments to fill vacancies occurring in any class with employees in the same class in which the vacancies occur, or from other classes, all as provided in the foregoing sections, the Company shall determine the fitness and ability of all applicants for new or different positions. In determining fitness and ability of any applicant from another roster, the desire and ability of such applicant to advance to higher classifications in the roster to which the bid is made will be contributing factors.

Should reduction of forces become necessary for any reason, the Brotherhood will be consulted and every attempt made to achieve the reduction by attrition. In the event that employees are displaced from their classification by reason of a reduction in forces, the following will apply:

- (1) The Company will discuss the matter with the Local Union.
- (2) Such employee may displace other employees of the Company pursuant to the Seniority provisions of the agreement.
- (3) The wage rate of employees upon such transfer to

lower rated jobs will be as follows:

Continuing Service at Date of Reduction
Total Reduction

Employees with ten (10) or more years of continuous service.	No reduction
Employees with nine (9) but less than ten (10) years of continuous service.	\$1 per week after 6 months
Employees with eight (8) but less than nine (9) years of continuous service.	\$2 per week after 6 months
Employees with seven (7) but less than eight (8) years of continuous service.	\$2 per week after 6 months \$1 per week after 12 months
Employees with six (6) but less than seven (7) years of continuous service.	\$2 per week after 6 months \$2 per week after 12 months
Employees with five (5) but less than six (6) years of continuous service.	\$2 per week after 6 months \$2 per week after 12 months \$1 per week after 18 months
Employees with less than five (5) years of continuous service.	No reduction for first 6 months; a reduction of \$2 per week at the beginning of the second and successive periods of 6 months until the rate wage equals the ultimate of the lower classification

4. Employees reduced to a lower-rated job classification are required to bid vacancies they are qualified to perform as they may occur in the former classification or in other higher rated jobs unless the Company and the Brotherhood feel there are extenuating circumstances. Employees failing to bid, or accept assignments, may have their wages reduced. All assignments will be made in accordance with the seniority provisions of the contract.

5. If an employee is transferred to a lower-rated job under the above and bids for and is awarded a job with a lower ultimate, the difference in ultimates will be deducted from his rate unless the Company and the Brotherhood feel there are extenuating circumstances.

6. If, after such transfer, a general wage increase is made on a percentage basis, the employee shall receive eighty percent (80%) of said general increase, the percentage to be figured on the adjusted rate prior to applying the eighty percent (80%).

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
By (s) F. Manley
President

Section 10. Any employee who, subsequent to the enactment of the Selective Training and Service Act of 1940, left the employ of the Company to enter any of the armed forces of the United States of America, will retain the same seniority status that he would have had if he had remained in the employ of the Company during the period of his absence, provided that his military service is terminated by an honorable discharge and that within ninety (90) days thereafter he shall apply in writing to the Company for re-employment. The Company shall assign such an employee according to his seniority status provided he is then qualified by fitness and ability to perform the work in his class, but, if he is mentally or physically unfit to perform the work in his class, the Company shall endeavor to provide him with employment in any class of work in any department of the Company for which the Company deems him to be mentally, physically and otherwise qualified, and provided also that his total length of service with the Company, including the aforesaid military service, shall be greater than that of the employee to be displaced.

Section 11 The Company agrees to grant to regular employees of the Company such reasonable leaves of absence, without pay for transacting official union business of the Brotherhood, in such numbers and for such length of time as the Company shall determine. Any such employee who returns to the employ of the

Company at the expiration of his leave of absence will be credited with the seniority that such employee would have had if he had remained in active service with the Company during the leave of absence and shall be assigned to the classification in his roster to which such seniority entitles him, provided such employee is then qualified by fitness and ability to perform the work of such classification.

ARTICLE XII DISCIPLINE, SUSPENSION AND DISCHARGE

Section 1. If any employee is disciplined, suspended or discharged, a meeting will be held between the Company and the Union Grievance Committee within a reasonable time. The Brotherhood may in its discretion within seven (7) days from the date upon which such employee is disciplined, suspended or discharged request the Company to grant a hearing to such an employee, such request to be in writing, registered and mailed to the President of the Company.

Hearings will be held by the President of the Company or by a department head or other officer of the Company designated by the President within one (1) week after receipt of such written request.

Section 2. If an employee is charged with the violation of Company rules or any other offense, and a hearing is requested under Section 1, the Brotherhood shall be furnished with a statement of the charge in writing.

At the hearing, the Brotherhood shall represent the employee disciplined, suspended or discharged and may present witnesses.

Section 3. If the employee is exonerated, he will be restored to service without prejudice and shall be compensated for any loss in wages caused by such discipline, suspension or discharge.

ARTICLE XIII GRIEVANCE

Section 1. Any dispute arising during the term hereof shall be treated as a grievance and every reasonable endeavor shall be made to settle such dispute by agreement between the Grievance Committee of the Brotherhood and the President of the Company or his representatives. Within ten (10) working days, any grievance shall be presented in writing to the employee's immediate supervisor.

Section 2. If the employee's immediate supervisor cannot satisfactorily resolve the grievance as stated in Section 1, it shall be referred to the Department Head.

Section 3. Within ten (10) working days of such submission as stated in Section 2, a meeting shall be arranged between the grievant, the Union Steward, the Supervisor and the Department Head.

Section 4. Within ten (10) days, if the grievance is not satisfactorily resolved by the meeting as stated in Section 3, the grievance may be submitted to the President of the Company, or his designees. Within five (5) working days of such submission, a meeting shall be arranged between the Union Grievance Committee and the President or his designees. The Company shall reply in writing to the grievant within five (5) working days after the meeting.

Section 5. If the response given pursuant to Section 4 above does not satisfactorily adjust a grievance, the grievance may be submitted in writing to arbitration within sixty (60) working days of the date of the written response pursuant to Section 4 above.

Section 6. The party requesting arbitration shall do so by delivering to the other party a notice in writing setting forth its statement of the matter in dispute. If a party requests arbitration and so notifies the other in writing and thereafter either party fails or neglects to name its arbiter within ten (10) days after receipt of such request, it shall be construed that the party failing or neglecting to name its arbiter as aforesaid has waived its right to arbitration of the particular dispute, and in that event the demands of the other party shall

be conceded unless it so happens that both parties fail or neglect to name arbiters within the time provided.

Section 7. Any grievance not presented in accordance with applicable time limits or other requirements in the steps listed above shall be automatically foreclosed and considered settled and shall constitute a denial of the grievance. By mutual agreement the parties may extend the time limits in any of the steps listed above.

Section 8. Arbitration shall be conducted through a Board of Arbitration consisting of one (1) representative selected by the Union, one (1) representative selected by the Company and an impartial Chairman mutually chosen by the parties. The procedure for Arbitration shall be as follows;

- A. The Union representative and Company representative shall meet forthwith to choose an impartial Chairman, but no later than fifteen (15) calendar days from the date of the demand of arbitration. If no selection can be made within such fifteen (15) day period, then either party may request lists from the American Arbitration Association and selection shall be made in accordance with the rules of the service.
- B. Hearings and post hearing activities shall be conducted in accordance with the voluntary labor arbitration rules of service.
- C. The decision of a majority of the Board shall be the decision of the Board of Arbitration. The Board shall have no power to change, amend, modify, or otherwise alter the provisions of this Agreement. The decision of the Board, which shall contain a full written statement of the grounds upon which the issue or issues are decided, shall be final and binding on the Union and the Company.
- D. Each party shall bear the expense of preparing and presenting its own case. The compensation and expense of the impartial Chairman and any other expenses of such Board shall be borne equally by the parties.
- E. At the meeting with the impartial Chairman it will be discussed and agreed to that the impartial Chairman is required to return a decision within sixty (60) days of the hearing.

Section 9. The Company shall have the right to grieve and arbitrate any dispute which arises concerning the terms and conditions of this Agreement.

Section 10. While this agreement is in effect, there shall be no authorized or sanctioned cessation, retarding or stoppage of work because of any dispute which may result from any interpretation of this agreement or for any cause whatsoever. If an employee represented by the Brotherhood and subject to the terms and conditions of this agreement who, without the authority and sanction of the Brotherhood, voluntarily absents himself from work because of any dispute or demand, he may be denied further employment or suspended at the option of the Company.

ARTICLE XIV PAYROLL DEDUCTIONS

The Company agrees to deduct weekly from earned wages and remit to the Brotherhood, the dues of those employees who are members of the Brotherhood and not exempt from the provisions of this agreement, in an amount individually authorized in a manner and on a form approved by the Union and the Company.

ARTICLE XV PENSION PLAN

A pension plan is provided for employees and is briefly outlined below. In the event there shall be enacted state or federal legislation which conflict with the terms of the below plan, state or federal legislation will govern.

Eligibility

Any employee of the Company who has completed at least ten (10) years of continuous service in the employ of the Company may retire on a pension upon the terms and subject to the provisions and conditions hereinafter set forth:

- (1) An employee shall be entitled to retire upon or after attaining the age of 65 years but may continue in the active employ of the Company after reaching the age of 65 so long as, in the judgment of the Company, he or she is qualified to perform the services required of him or her.
- (2) An employee who has completed fifteen (15) years of credited service shall be entitled to retire before attaining the age of 65 years if he or she becomes unable to perform his or her work for the Company because of a permanent disability, and if such disability is evidenced by a certificate from a doctor chosen by the employee, concurred in by a doctor selected by the Company.
- (3) An employee who has completed ten (10) years of credited service shall have the option to retire at age 60 with a pension calculated on the basis of his or her then attained age and years of service with the Company with a deduction of three-tenths of one percent (0.3%) multiplied by the number of months between the employee's attained age at the time of retirement and sixty-fifth (65th) birthday.

Determination of Amount of Normal Retirement Benefits

The basis for the computation of the amount of pension shall be the employee's average straight-time annual wage for the last five (5) years of service or the employee's average straight-time wage for any consecutive five (5) year period during the employee's last fifteen (15) years of service, whichever amount is the larger. The word "wage" as herein used shall mean straight-time wages, exclusive of overtime, bonuses, supplementary incentive compensation, or other forms of nonrecurring compensation.

Based upon an average straight-time annual wage determined as above stated, the employee shall be eligible for an annual pension payable monthly in advance, computed as follows:

- a. 2% of your average annual earnings for each of the first twenty (20) years of credited service:
PLUS
- b. 1% of your average annual earnings for the next ten (10) years of credited service:
PLUS
- c. 1/2 % of your average annual earnings for each year of credited service in excess of thirty (30) years.
MINUS
- d. 25% of your primary Social Security Benefit (according to the law as in effect on December 31 of the year proceeding your retirement).

Notwithstanding anything hereinbefore contained, the minimum annual pension from the Company shall, irrespective of whether the employee concerned is entitled to any benefits under said Social Security Act, be eight hundred (800) dollars.

Form of Benefits

Normal Form of Benefits

- A. Monthly Annuity for Life:
An employee who is unmarried at retirement will receive a retirement benefit as a monthly annuity for as long as the employee lives. Upon death, no death benefits will be payable to any beneficiary.

- B. Joint and Survivor Annuity:
An employee who is married on the date his retirement benefit commences will receive a retirement benefit in the form of a "qualified joint and survivor annuity" unless both the employee and the employee's spouse elect to waive this form of benefit. A qualified joint and survivor annuity is an actuarially reduced annuity payable for the life of the employee with a survivor annuity for the life of the employee's spouse equal to one-half of the amount payable during the joint lives of the employee and spouse. The actuarial reduction is based upon the life expectancies of the employee and spouse on the employee's retirement date.

Optional Form of Benefits

- A, Contingent Annuitant Option:
An employee may elect, instead of the retirement benefit as heretofore provided, to have reduced retirement benefits made commencing on the employee's retirement date, and after death such reduced payments, or any lesser amount selected by the employee, will be continued to the designated beneficiary, if living after the employee's death, for the beneficiary's lifetime.
- B. Ten (10) Year Certain and Life Annuity:
An employee may elect that the retirement benefit payable on his/her retirement date be reduced with the guarantee that not less than one hundred and twenty (120) monthly payments will be made either to him/her or the named beneficiary who survives him/her.
- C. Five (5) Year Certain and Life Annuity:
An employee may elect that the retirement benefit payable on his/her retirement date be reduced with the guarantee that not less than sixty (60) monthly payments will be made either to him/her or the named beneficiary who survives him/her.

Election of an option in A, B, or C above must be made in writing within the period commencing ninety (90) days prior to the date the benefit is to commence and ending on such commencement date.

Spouse's Benefits

- A. The Surviving Spouse Benefit will be payable under the following conditions:
1. The employee dies prior to retirement and is vested as of the date of death.
 2. On the date of death, the employee is married and has been married for at least one (1) year prior to his date of death.
- B. The Surviving Spouse Benefit will be as follows:
1. The benefit will be computed at fifty percent (50%) of the employee's retirement benefit, computed as of the employee's then attained age and years of service, and a three-tenths of one percent (0.3%) deduction multiplied by the number of months between the employee's attained age at the time of death and the date he would have reached age sixty-five (65); provided, however, that if such computation results in a figure which is less than four hundred (400) dollars per year, the figure will be increased to four hundred (400) dollars per year.
 2. The benefit will be paid monthly in advance as a monthly annuity for life commencing on the first day of the month next following

the date of the employee's death.

Vesting

An employee's pension benefit will become vested (a right to a deferred benefit at age 65) after completing at least five (5) years of credited service following his 18th birthday.

Funding

The pension plan will continue to be funded, with all contributions from the Company. It is understood that the retirement plan will meet the requirements for approval by the Internal Revenue Service and will be actuarially sound.

The specific details of the pension plan will be as described in the retirement plan documents. In the event of any conflict between this summary and the Plan Document, the Plan Document will govern. While the Company expects to continue indefinitely the benefits provided for under this pension plan, it agrees to continue them only for the term of the agreement with The Brotherhood of Utility Workers of New England, Incorporated, Local No. 340, effective May 1, 1994.

ARTICLE XVI DISABILITY RETROGRESSION PAY PLAN

I. Non-Compensable Disability

In the event an employee with ten (10) full years of continuous service or more becomes unable to perform his normal duties because of a disability for which he is not receiving Workmen's Compensation Benefits, the Company shall provide him with work, provided he is able to perform such work. If such employee refuses to accept such work, the obligation of the Company hereunder shall be discharged. In the event an employee with less than ten (10) full years of service becomes unable to perform his normal duties because of a disability for which he is not receiving Workmen's Compensation Benefits and if the Company is able to provide him with work which he is capable of performing, he shall be assigned to such work. The adjusted pay rate in either case shall be determined by the following PLAN shown below.

A. FUTURE RETROGRESSION

1. Less than ten (10) full years of continuous service at time of retrogression.
 - a. An employee with less than ten (10) full years of continuous service with the Company at time of retrogression shall receive the ultimate base rate of his new job classification.
 - b. The new rate shall become effective at the time of such retrogression.
2. Ten (10) full years and less than twenty-five (25) full years of continuous service at time of retrogression.
 - a. An employee with ten (10) full years or more of continuous service with the Company at the time of retrogression shall receive an ADJUSTED pay rate equal to the ultimate base rate of his new job classification.
PLUS

for each full year of continuous service an additional four percent (4%) of the differential between the pay rate of his new job classification and the employee's AVERAGE pay rate, except that in no case shall the ADJUSTED rate be greater than the AVERAGE rate, or less than the ultimate base rate of his new job classification. The AVERAGE pay rate shall be determined by finding the weighted average of the pay rates for all job classifications the employee has held for the five (5) year period immediately preceding his date of retrogression. In making this computation, ultimate base rates in effect at the time of retrogression shall be used.

- b. The employee's pay rate shall be reduced to the ADJUSTED pay rate in steps of ten cents (\$.10) per hour or four

dollars (\$4.00) per week every six (6) months, except that the last reduction step may be ten cents (\$.10) per hour or four dollars (\$4.00) per week or less as necessary to reach the ADJUSTED pay rate exactly. The first reduction step shall occur six (6) months from the effective date of retrogression.

3. Twenty-five (25) full years or more of continuous service at time of retrogression.

- a. An employee with twenty-five (25) full years or more of continuous service with the Company at the time of retrogression shall retain the ultimate pay rate of the classification from which he is retrogressed.

II. Compensable Disability

In the event an employee with ten (10) full years of continuous service or more becomes unable to perform his normal duties because of a disability for which he is receiving Workmen's Compensation Benefits, the Company shall provide him with work, provided he is able to perform such work. If such employee refuses to accept such work, the obligation of the Company hereunder shall be discharged. In the event an employee with less than ten (10) full years of service becomes unable to perform his normal duties because of a disability for which he is receiving Workmen's Compensation benefits and if the Company is able to provide him with work which he is capable of performing, he shall be assigned to such work. His ADJUSTED pay rate in either case shall be determined as set forth under 1 (A) of this PLAN except that the following shall apply:

- A. If, at the time of retrogression, the employee is receiving compensation for partial disability, the Company will pay such amounts so that the employee's total compensation from the Company and from such Disability Benefits will equal the adjusted pay rate.
- B. The date the employee commences work at his lower classification shall be considered as the date of retrogression.

III. General Provisions Applicable to I and II of the PLAN

- A. In all computations, only FULL YEARS of service shall be used.
- B. ADJUSTED pay rates established under the PLAN shall be figured to the nearest cent except where the rate figures exactly to a half-cent.
- C. An employee with ten (10) or more full years of continuous service receiving an ADJUSTED pay rate under the PLAN shall hold the title of his new job classification with the word "SPECIAL" appended thereto.
- D. A physician appointed by the Company in all cases shall consult with such employee's family physician and in the event of disagreement as to the employee's condition and/or ability to perform the work of any particular class, the case shall be referred to a recognized specialist or clinic in the field of medicine involved, whose opinion will be final and binding upon all parties.
- E. No change in GROUP INSURANCE classification shall result from such retrogression.
- F. General increases will be figured on the adjusted pay rate of a retrogressed employee.
- G. An employee transferred to a lower classification under the PLAN shall be assigned without posting the job.
- H. References to continuous service in the Company shall include service with affiliated companies.
- I. If an employee who is being compensated under the provision of this PLAN is again transferred to one or more lower or higher rated classifications, his new ADJUSTED rate upon each such transfer shall be

computed as if the employee had been transferred to such lower or higher classification initially, using all factors applicable at the time of the first retrogression. The resultant rate shall be corrected to reflect all wage adjustments which were made in such classification since the date of the initial retrogression.

- J. The Company may, in its discretion, withhold the provisions of this PLAN from employees who also engage in work for other than the Company or its affiliates.

ARTICLE XVII DISABILITY PAYMENT PLAN

The following Disability Payment Plan relates to payment of wages for time not worked on account of sickness or injury.

Workmen's Compensation Benefits, as referred to below, are benefits payable under Workmen's Compensation Laws for disability caused by occupational injury of disease.

1. PERMISSIBLE BENEFITS FOR ELIGIBLE EMPLOYEES

A regular Employee is eligible for disability pay due to sickness or accident. A regular Part-Time Employee is eligible for pro rata disability pay on the basis of his scheduled weekly hours as a percentage of forty (40) hours. A temporary Employee is eligible for Workmen's Compensation benefits only. New employees will become entitled to disability pay due to sickness or accident upon attaining the status of a Regular Employee, six (6) months after date of hire.

2. AMOUNT AND PERIOD OF DISABILITY BENEFITS

A. Non-Occupational Disabilities

1. For the first week of temporary disability, except as otherwise provided in succeeding paragraphs, and subject to such evidence as may be required, wages or salary for a normal workweek will be paid.

2. After the first week of a temporary disability, subject to the limits outlined below and with the approval of the President of the Company or his designee, full normal wages or salary will be paid for not longer than one (1) week for each completed year of continuous service.

B. Occupational Disabilities

1. For the first two (2) weeks of temporary disability except as otherwise provided in succeeding paragraphs, and subject to such evidence as may be required, wages or salary for two (2) normal workweeks will be paid.

2. After the first two (2) weeks of temporary disability, subject to the limits outlined below and with the approval of the President of the Company or his designee, full normal wages or salary will be paid for not longer than two (2) weeks for each completed year of continuous service.

C. Continuous service shall be defined as that service dating from the employee's last employment by the Company, subject, however, to the conditions established under the Break-in Service Credit Policy.

D. Limit on Benefits Beyond First Week

1. Non-Occupational Disabilities

The determination of the number of weeks during which salary or wages will be paid beyond the first week of a temporary disability shall be computed at the beginning of each week as follows: From the total number of weeks of pay to which the employee is entitled, based on his completed years of service to that date, deduct the total number of weeks and fractional parts thereof, of disability for which the employee received wages or salary during the preceding fifty-two (52) consecutive weeks, except that there shall not be any deduction for the first week of any previous temporary disability.

2. Occupational Disabilities

Same provisions as under 2.D.1., except for the

substitution of the words "two (2) weeks" for the word "week". However, in determining the number of weeks during which salary or wages may be paid as in D.1.2. above, the foregoing limit shall be applied separately to:

1. Disabilities caused by sickness or non-occupational accident.
2. Disabilities of an occupational nature.

E. 1. Overpayment of disability benefits-wages or salary will not be payable whenever the disability of the employee is the result of an occupational or non-occupational accident which permits the employee to recover damages from a third party. Pending the outcome of settlement of his claim, subject to the limitations set forth in Par. D., appropriate wages or salary will be paid on condition that the employee agrees in writing on the form provided for this purpose (FF160B or FF160C) to reimburse the Company for such wages or salary if there is recovery from the party causing the injury.

2. In the event an employee is paid any wages or salary for a period of disability arising from an industrial accident for which he subsequently receives Workmen's Compensation weekly payments, he shall be required to agree in writing on Form FF160A that, if the wage or salary payments together with the Workmen's Compensation payments aggregate (for the period of disability for which both payments are made to him) more than the normal weekly wage or salary payments he would have received if working, he shall reimburse the Company for the excess.

F. Lump sum insurance settlements

If an employee injured in an occupational accident makes a lump sum settlement with the insurance company in lieu of his receiving weekly Workmen's Compensation benefits, the benefits to which he will be entitled from the Company shall be computed for the period of his disability as though he were receiving weekly compensation benefits. In any case of a disability resulting from aggravation or relapse of a previous disability for which the employee has made a lump sum compensation insurance settlement and as the result thereof is ineligible for further Workmen's Compensation benefits, the salary or wages payable by the Company shall be computed as though the injured employee was receiving such compensation benefits.

G. Disabilities for which benefits are not payable. No wage or salary payments by the Company will be made beyond the first week for periods of disability during which the employee is not under treatment by a recognized physician or practitioner. Wage or salary payments will not be made beyond the first week for periods of disability caused by excessive use of alcohol or narcotics unless the disabled employee is receiving approved treatment for such disability. No wage or salary payments will be made beyond the first week by the Company for disability resulting directly from the deliberate neglect or refusal of the employee to observe the Company's established safety rules or regulations if such employee has previously been warned.

H. The Company may, in its discretion, withhold payment of disability benefits to employees who engage in other work.

I. Nothing herein contained will be construed to prevent the Company from placing employees on a pay-as-you-work basis if such employee's absenteeism record justifies such action. An employee placed on a pay-as-you-work basis will be returned to a sick-pay eligibility status, when his absenteeism record over a reasonable period of time subsequent to being placed on a pay-as-you-work basis, justifies such action. Employee on pay-as-you-work basis to be reviewed at least three (3) months after being placed on it. Beginning with the second week of hospitalization the pay-when-work status will be suspended for the full period of disability.

3. COMPUTATION OF WAGES PAID FOR PERIODS OF DISABILITY

In computing wages or salary, there shall not be included (1) overtime wages (2) bonuses (3) shift differentials or (4) other forms of similar extra compensation.

4. Employee's "years of continuous service" used for computing payment of time not worked on account of sickness or injury in

accordance with the Disability Payment Plan and vacations shall include those years of service to a break in the continuity of service, provided -

- (a) the employee had at least three (3) years of continuous service prior to the break, and
- (b) the break did not exceed three (3) years duration, and
- (c) the employee has remained in the service of this Company for at least five (5) years after the break in service.

If years of service do not comply with the foregoing provisions, then total years of continuous service shall be computed from the date last employed. "Years of continuous service" for the Retirement Allowance policy shall be the full years of service from the last date of employment with this Company.

5. The Company has given its Department Heads discretion to grant limited time off without loss of pay for urgent personal reasons including a serious emergency at home, such time to be no more than that required for the purpose, usually a few hours and, in no event, more than one day. Department Heads also have discretion to grant time off without pay for personal reasons if there is good cause and no abuse of the privilege.

ARTICLE XVIII GROUP INSURANCE

During the effective period of this Agreement, the Company will maintain Group Insurance as follows: Life, Accidental Death and Dismemberment, and Comprehensive Health and Dental Plan in accordance with the Group Insurance Summary dated May 1, 1994, and attached hereto. During the period of this Agreement the Company will make available to employees Health Maintenance Organization (HMO) coverage in lieu of Comprehensive Health Insurance. In the event that there shall be enacted after May 1, 1994, state or federal legislation in addition to that now enacted which provides benefits in the field of health, medical, hospitalization and nursing care, the parties agree that there shall be no duplication or overlapping of such benefits and the benefits provided by the Company. In the event that the Company determines that such duplication or overlapping of benefits occurs, it may revise the benefits under the Company's Group Insurance Plans to minimize the same. In so doing, there will be no reduction in the benefits provided to employees as set forth in the attached Group Insurance Summary. The Union shall be given reasonable advance notice of any changes made pursuant to this provision and upon the request of the Union, it shall have an opportunity to discuss them with the Company prior to their being made. There will be no changes in insurance carrier during the term of the contract unless by mutual agreement.

The annual expense associated with providing group medical insurance benefits will be capped at \$340,000, \$360,000, and \$380,000 for calendar years 1994, 1995, and 1996, respectively. The Company will pay 80% of the cost above this cap and employees will pay 20% of the cost above cap. There will be no employee contributions during the term of the contract. The Company will establish a Section 125 plan if there are any required contributions.

ARTICLE XIX 401(k) PLAN

Employees may participate in the Company's 401(k) Plan (Plan). The Company agrees to make payroll deductions for payments to the duly-established 401(k) Plan upon written authorization by regular employees and to forward the amounts so deducted to the 401(k) Plan in accordance with such authority.

The Company reserves the right to make administrative changes to the 401(k) Plan during the term of this Agreement with the understanding that such changes will not decrease the amount of benefits provided to Plan members. These administrative changes may include the merger of 401(k) Plans.

The Company will amend the 401(k) Plan to permit the election of gross wages with or without overtime for maximum contributions on an annual basis if regulations permit. The employee can save on

gross wages and the Company will match on base wages. The Company's matching contribution to the 401(k) saving Plan will be as follows:

- 1994 - one percent (1%) match
- 1995 - an additional one percent (1%) match for a total of two percent (2 %)
- 1996 - an additional one percent (1%) match for a total of three percent (3 %)

ARTICLE XX LEAVES OF ABSENCE

Section 1. Death in The Family

In the event of the death of a member of the immediate family of an employee, the Company will grant reasonable time off without loss of pay, up to three (3) workdays, for scheduled straight-time workdays falling within the period from the date of death through the date of the funeral. The immediate family is defined as wife, husband, children, parents, sister, brother, father-in-law and mother-in-law. For stepparents the Company will allow up to two (2) workdays, for scheduled straight-time workdays falling within the period from the date of death through the date of the funeral. For other members of the family (grandparents, grandchildren, aunts and uncles), one (1) day without loss of pay will be granted if the funeral is held on a scheduled straight-time workday. It is understood that this paragraph applies only when the time off is used for the purpose intended.

Where there are unusual circumstances in individual cases, time off without loss of pay in excess of the three (3) workdays, or the two (2) workdays, or the one (1) workday, or for persons other than those listed above, may be granted in the discretion of management.

Section 2. Jury Duty

A regular employee, called for jury duty, will be paid for the time lost from his regularly scheduled straight-time work day for not more than eight (8) hours in any one (1) day, nor more than forty (40) hours in any one (1) week, and for not more than six (6) weeks in any twelve (12) consecutive months, provided that the employee will report for work during regularly scheduled hours whenever he is excused from jury duty.

Section 3. Military Training Leave

Regular employees who are members of the reserve components of the Armed Services of the United States or the National Guard and who are required to report for their annual tour of military training duty shall be granted a leave of absence for such purpose, not to exceed two (2) weeks in any calendar year. Such employees shall be paid for any loss in pay during such time, computed on the basis of the difference between his straight time rate of pay for forty (40) hours and one (1) week's military base pay exclusive of allowances, for each week of such absence. Such payment shall be made upon the employee's return to work and upon receipt of a certificate from the proper military officer showing the amount received while engaged in such military training duty.

ARTICLE XXI SEVERANCE PAY PLAN

Except as provided below, the Company will pay severance pay to eligible employees as follows:

A. Regular employees who have completed four (4) years or more of continuous service and who are permanently released from employment because of the elimination of a job through automation or the changing or discontinuing of operations, shall be given an allowance of one (1) full week's base pay at the rate of pay at the time of release for each full year of continuous service.

B. Severance pay benefits shall not apply to employees:

1. Discharged for just cause
2. Voluntarily quitting for personal reasons or any reason other than receipt of notice of layoff
3. Retiring from the Company (including early medical retirement)

4. Leaving on leave of absence or sick leave
5. In event of death

C. Severance benefits shall be in addition to any earned vacation benefits for which the separated employee is eligible.

D. An employee who desires severance pay, must, within ten (10) days after receiving notice of layoff, notify the Company in writing of his desire to terminate employment and receive Severance Pay under this plan. Upon such termination and receipt of Severance Pay, the employee will lose all seniority and recall rights under the contract.

E. If an employee does not desire to terminate his employment in these circumstances, he will retain his recall and seniority rights, to which entitled under the contract, if any, but shall not be entitled to any Severance Pay hereunder.

ARTICLE XXII BULLETIN BOARDS

The Company will provide space on the Company Bulletin Boards for official Union notices. Notices of Union meetings, elections, and appointments may be posted by the Union without prior approval. Any other material which the Union desires to post shall first be submitted to management for approval before posting. There shall be no posting of advertising or political matter or material which is objectionable or controversial.

ARTICLE XXIII EFFECT OF AGREEMENT

Section 1. This agreement is the entire agreement between the parties except such amendments or supplementary agreements as are in writing and signed by the parties.

Section 2. During the term of this agreement, should any provisions or part thereof become illegal, the rest of the agreement will continue in full force and effect.

ARTICLE XXIV CONTRACTORS

The Union will have the right to call to Management's attention any condition that they may consider detrimental to the employees of the Company relative to work proposed, or being performed by outside contractors, and Management agrees to discuss this condition with the Union, and to take whatever remedial action may be agreed to in these discussions. Outside contractors will be required to adhere to OSHA requirements.

The Company recognizes that its use of outside contractors may, at times, cause some concern to employees and the Union. Accordingly, upon request of the Union Committee, the Company representatives will discuss any problems arising over the use of contractors. If such discussion does not satisfy the Union, it may make a written request to the President of the Company for a meeting with him, in which event, the President will sit down with the representatives of the Union for a thorough review and discussion of the problem.

Addendum (May 1, 1973) - The question of Pre-notification of Contractors to be handled as a matter of common sense and good labor relations, with no legal commitment. Except when emergencies exist, the Company will before the letting of a contract discuss with the Brotherhood the reasons, economics and any other matters pertinent to the situation.

There is no intent to displace regular employees by these outside forces. Whenever sufficient work exists in any area to justify additional regular employees on a full-time basis, such employees will be added.

Note: The foregoing paragraph would not preclude the Company from hiring temporary forces.

ARTICLE XXV WORKING CONDITIONS

Section 1. Alternate Emergency Troublemaker - Line Department

It is agreed that the following supplementary practices affecting working conditions will be continued during the term of the current Collective Bargaining Agreement:

The conditions for Alternate Emergency Night Troubleman classification and posting thereof are as follows:

- (a) Duties and qualifications would be the same as for the Emergency Night Troubleman and would be posted as such.
- (b) Only Linemen-1st Class will be eligible to fill the job.
- (c) One or more Linemen-1st Class with "alternate" listing will be listed according to seniority on summation sheet, but will retain present place in roster.
- (d) Senior "Alternate" man would be assigned to fill in on a temporary basis when the regular Emergency Night Troubleman is not available for work. In the event the senior "Alternate" man is not available due to sickness, vacation, etc., the second "Alternate" man would be assigned. Any "Alternate" so assigned would accumulate seniority for time actually worked in the Emergency Night Troubleman's classification.
- (e) Planned absences: Example - vacation, sickness other than first day -
 - (1) Senior man from "Alternate" list will not work 7:30 a.m. - 3:30 p.m. as Lineman-1st Class.
 - (2) Will be notified and assigned in advance to fill in on the Emergency Night Troubleman's job.
 - (3) Will receive credit in the classification as Emergency Night Troubleman. Will also receive pay of classification at straight time.
 - (4) If there is overtime involved while the "Alternate" is working as the Emergency Night Troubleman, overtime will be at the Emergency Night Troubleman rate.
- (f) Absences other than planned: Example - sickness first day -
 - (1) If "Alternate" man has reported for work for normal 7:30 a.m. - 3:30 p.m. hours, then "Alternate" will work 7:30 a.m. - 3:30 p.m. at straight time as Lineman-1st Class. and then 3:30 p.m. - 12 midnight at time and one-half at the Emergency Night Troubleman's rate.
- (g) When the Emergency Night Troubleman returns to work, "Alternate" will be notified not later than 4:00 p.m.. on the last working day prior to the Emergency Night Troubleman's return. "Alternate" will report on next working day at normal hours. If the Company is not able to meet this time factor, the "Alternate" and the regular Emergency Night Troubleman will work together for the first night after the regular Emergency Night Troubleman returns to work.
- (h) An "Alternate" can be removed from the "Alternate" list by request. When an "Alternate" is so removed, the "Alternate" job will be posted to obtain a replacement.

1. On the digger truck, two men will normally be assigned. Three men will be used on the following job assignments

- (a) replacement of three (3) phase junction poles,
- (b) poles over fifty (50) feet on existing three phase construction.

On other job assignments the Union may request additional men, and the crew supervisor may, at his discretion, grant the request.

2. As to the two new heavy-duty bucket trucks, in respect to which there exists continued disagreement concerning the number of men which should be assigned, the position of the parties is as follows:

- (a) The Company is of the view that it is a part of its management responsibility to determine the number of men needed on work assignments; that various relevant conditions affect a judgment whether two (2) men or three (3) men are needed on particular job assignments; and that supervision should make particular job assignments on the basis of the number of men needed - whether this is two (2) men, three (3) men or more.
- (b) The Union is of the view that a minimum of three (3) men should be assigned to all job assignments except for two (2) men assignments on those specific assignments on a list furnished by the Union to the Company during the negotiations. The Union has cited work load and safety factors as the basis of its position.

The application of the respective positions of the parties would mean that on some job assignments the Company's position would call for two (2) men and the Union's position would result in three (3) men being assigned.

3. Since the parties have been unable to resolve their differences as set forth in paragraph 2 of the foregoing, the following interim arrangement and procedures for ultimate disposition of disputes will apply:
 - (a) Subject to the provisions below, three (3) men will be assigned to one (1) of the new heavy-duty bucket trucks and two (2) men to the other new heavy-duty bucket truck.
 - (b) It is the Company's policy to observe high standards of safety and in no event will it assign two (2) men if, in its judgment, three (3) men are required for a particular job by reason of safety considerations.
 - (c) It is the intention of the foregoing to have each truck change transformers and compare the efficiency, safety, work load and other relevant factors as between two (2) man and three (3) man operations. An evaluation of the two (2) man and three (3) man operations will be made from time-to-time by a joint committee composed of two (2) employees designated by the Union and two (2) representatives of the Company.
 - (d) If, on a two (2) man operation (other than on jobs involving secondary construction), the job requires two (2) men to be in the air at the same time, the Company will see that a Safety Observer, qualified to climb and render emergency assistance, is present during the time the two (2) men are in the air. Such Safety Observer may be a non-bargaining-unit employee, or a non-employee, or a bargaining-unit employee, but whether a bargaining-unit employee or not, he will not perform any work other than safety functions while present at the job as Safety Observer.
 - (e) The arrangement set forth in paragraphs (a), (b), (c), and (d) above will continue until May 1, 1965 and thereafter, subject to

the following paragraphs.

- (f) If, after May 1, 1965, either party wishes to change the above arrangement and procedures, it will give written notice to the other party, and if any dispute then arises as to the number of men assigned to particular bucket truck jobs, the issue of the reasonableness of the Company's assignment of men to any such job will be subject to arbitration under the arbitration provisions of the Agreement, subject to the following:

(1) The status quo will be retained pending the arbitration decision.

(2) The parties agree that if either party requests arbitration it will be expedited. The party requesting arbitration will notify the other party of the name of its arbitrator and if within ten (10) days of the notice the other party fails to name its arbitrator, or if the arbitrator is named and a third arbitrator is not selected, the party giving the notice may request the American Arbitration Association to select the arbitrator who may proceed ex parte under the rules of the American Arbitration Association if the other party fails to participate in the hearing.

- (g) It is recognized that as provided in Section 502 of the Labor-Management Relations Act of 1947, an employee may decline to work in good faith because of abnormally dangerous conditions for work" and nothing in this memorandum can affect such right of the employees as set forth in the Federal Statute.

THE BROTHERHOOD OF UTILITY WORKERS
OF NEW ENGLAND, INC., LOCAL NO. 340

By (s) George McSheehy
President

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

By (s) R. A. Ferreira
Vice President

Section 3. Driver's License (Loss of)

5/1/89

If an employee loses his/her driver's license for any reason, and the holding of such a license is a requirement of his/her job, the employee will be required to meet all the requirements of the job without special accommodations, including the ability to respond to call outs and work continuous overtime. If the employee is unable to meet the job requirements, the employee will be suspended without pay until the license is reinstated. Benefits will be continued for six (6) months.

In the event the Company and the Union are able to agree that a special position can be established that would be treated differently than cross rostering or hours of employment and would not create problems for other employees, the parties may agree to the establishment of that special position for all or a part of the license suspension. If the parties are not able to agree, the suspension will apply.

Section 4. Gas Distribution Crew Complement

Two (2) qualified persons will be used when working on live gas lines.

Section 5. Hot Stick

6/1/67

To date, we have not had experience with Hot Stick work in inclement weather. On the basis of present knowledge, existing equipment and current methods and conditions, it will be our intent not to require employees to perform Hot Stick work in inclement weather, whether such work is an emergency or otherwise, subject to the following paragraphs:

If a major interruption of service could be avoided, under appropriate conditions, we could see where it would be feasible and safe to do a brief, occasional task with Hot Stick in poor weather (including light rain but not medium heavy rain), such as

- (a) Disconnecting a tap in order to de-energize a segment of the system so that it can be worked on dead, or
(b) Covering an arcing conductor with an insulated fiberglass orange hood, or otherwise insulating it, working from a bucket.

We have had very limited experience doing Hot Stick work at

night. When such assignments do occur, we will provide adequate artificial lighting.

The Union has suggested that there may be need for assigning more employees to certain Hot Stick jobs at night than would be assigned to the same job in daylight hours. The Company doubts this. The Union does not suggest additional personnel when the Company assigns five (5) Linemen to a Hot Stick job at night. (See Par. C of June 1, 1967, letter on Hot Stick work.) In the interest of cooperation, the Company will do the following:

On the first three (3) Hot Stick assignments at night hereafter made by the Company, pursuant to Paragraph 2 of the Hot Stick letter, to which less than five (5) Linemen are assigned, the Company will assign one more man than it would otherwise assign. After such third assignment, the Company will advise the Union in writing whether it will continue such a temporary arrangement for either a further definite period, or indefinitely, or discontinue it. If the Company discontinues this arrangement at that time, or later, and there is a subsequent Hot Stick assignment at night to which less than five (5) men are assigned, the Union may raise the question of additional manpower on such subsequent assignment in the same manner as presently provided in Paragraph 3 of the Hot Stick letter regarding requests for additional manpower.

We reiterate our intention that all work must be done safely. We also recognize the desirability of education, experience and discussion on these subjects. Furthermore, we assure the employees concerned that there will be no arbitrary orders or directions in connection with Hot Stick work assignments; and that if there are any complaints, suggestions or questions, we will be pleased to sit down and discuss them.

Finally, if any changes in the above should be warranted, they will not be made without prior notice and discussion, such notice to be given in writing to the President of the Local Union.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

By (s) Howard W. Evirs, Jr.
Vice President

Accepted:

THE BROTHERHOOD OF UTILITY WORKERS
OF NEW ENGLAND, INC. LOCAL NO. 340

By (s) Peter J. Starr
President

Section 6. Inclement Weather Clause

5/1/89

The following provisions will apply to employees in Rosters 7 and 8 with respect to inclement weather:

During rainy or stormy weather or extreme cold, employees in these rosters will not be required to perform outside work, except in emergencies.

Extreme cold shall be considered fifteen degrees (15) Fahrenheit and will be determined by the digital recording thermometer in the Transmission and Distribution office.

Light Precipitation: Fog, mist and light precipitation are not considered rainy or stormy weather. It is not the Company's intent to compromise its safety standards nor is it the intent of the Company to require employees to work for prolonged periods in light precipitation.

Light precipitation assignments shall include, but not be limited to the following:

Electric

1. Maintenance of street/floodlights.
2. Switching and grounding.
3. Cable splicing (with protective equipment).
4. Pulling cable.
5. Motorized patrol.
6. Substation work on de-energized or isolated equipment (including grounds maintenance).
7. Dead line work.

8. Pole placements without displacement or covering of energized conductors.
9. Manhole/vault inspection and maintenance.
10. Material handling, delivering and unloading.
11. Snow removal is snow shoveling.

Employees will not be required to work on energized primaries or secondaries (Item 1 exception), except in emergencies.

Gas

- * 1. Check and set system pressures.
- 2. Building inspections. *(inside only)
- 3. Repair gas leaks (other than Class 3).
- 4. Monitor gas leaks and leak surveys.
- 5. Critical valve maintenance and testing.
- 6. Material handling, delivering and unloading.
- 7. Trenching and installing gas pipes other than road crossing.
- 8. Patching and repairing of street openings.
- 9. Pump pits.
- * 10. Changing charts.
- * 11. Tees and cocks in emergencies.
- 12. Regular station maintenance inside buildings.

* These items will be performed irrespective of the temperature restrictions stated in this memo.

In the event there is a reduction in Roster 7, identification of underground facilities and gas leak surveys using the flame ionization unit would be assigned exclusively to Union employees.

Should precipitation begin during the normal work day, Gas and Electric crews will not absent the job site without first checking with a Distribution Supervisor. Supervisor will make determination whether to return to headquarters or go on to light precipitation assignments.

Suitable Inside Work: In the event that weather conditions warrant cessation of normal work, employees will be required to do assigned work related to their classifications in protected areas. If there is not sufficient work related to their classifications, employees shall be given other inside assignments of a reasonable nature.

When it is indicated that light precipitation will end and/or temperature is rising sufficiently to reach fifteen degrees (15o) within a reasonable time, employees will drive their respective trucks to their scheduled work site in preparation for work.

When Gas and Electric Distribution crews are in the field and the temperature is dropping, they will be advised by radio when the temperature reaches the 15 mark and will be recalled to the Plant.

Section 7. Medical Matters

8/14/84

The Company and the Union agree to the following in respect to medical matters involving employees.

1. Employees who desire to consult the Company Doctor should make an appointment through their supervisor.
2. When the Company Doctor, in accordance with the Disability Retrogression Pay Plan, decides that an employee should be retrogressed for physical disability, the Local Officers of the Union will be notified before the employee is told.
3. When an employee is denied a job because of physical reasons, the Union will be notified and the reason given before the employee is notified.
4. When an employee is out sick or out as a result of injury and the Company Doctor says he cannot return to work, the Union will be notified.
5. If there is disagreement between the employee's physician and the Company Doctor, arrangements will be made for the Union Representatives to talk with the Company Doctor as soon as possible.
6. If there is still disagreement, the matter may, upon request of either party, be referred to a third doctor, whose decision will

- be final and binding upon all parties. The third doctor will be selected by the Company Doctor and the employee's doctor. If they are unable to agree upon the third doctor, a joint request will be made to the Dean of the Harvard Medical School for choice of a third doctor in the special field involved. In the event a third doctor is appointed, the Company Doctor and the employee's doctor will have the right to submit the medical history of the employee and all other relevant information in their possession.
7. If an employee who has been absent from work because of disability is advised by his doctor to return to work but is prohibited from doing so until approved by the Company Doctor, the time required for the Company Doctor to make a decision whether or not the employee may return to work will be paid time and not subject to the provisions of the plan for payment of disability benefits.
 8. The Company Doctor is responsible for determining when an ill employee is well enough to return to work and what type of work he should be returning to.
 9. All employees who have been out for a serious illness such as

Heart Condition
High Blood Pressure
Cerebral Hemorrhage
Diabetes
Tuberculosis
Serious Surgery
Back Condition
Broken or Fractured Bones - any type
Joint Condition
Mental Disease
Any type of paralyzing Disease

- will have their condition checked by the Company Doctor before returning to any type of work. Any case where there has been a serious illness not mentioned, and there is any doubt as to the employee's ability to fulfill his regular job, it should be brought to the attention of the Company Doctor before the employee returns to work.
10. The Company Doctor will contact the family doctor, see the patient, if necessary, and make whatever tests are necessary to determine whether or not the employee can safely return to work; and also determine the type of work, or what limitations there should be on the work that the employee performs.
 11. In any case where the Company Doctor feels that the employee is not ready to return to work or that the work should be changed, he will consult with the management giving the reasons and the limitations.
 12. All employees wearing casts, splints, braces, using crutches, or canes must be cleared by the Company Doctor before returning to work. There are certain conditions which must be clarified before the Company Doctor will give his approval.
 13. The following conditions must be met before the Company Doctor is contacted for approval:

There must be a job that the employee can perform.

The employee must be willing to do the work.

The employee's attending physician must give permission to return to work.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
By (s) R. A. Ferreira
Vice President

THE BROTHERHOOD OF UTILITY WORKERS
OF NEW ENGLAND, INC., LOCAL NO. 340

Section 8. Snow Plowing

5/1/91

For the Liquified Natural Gas Plant (LNG), the Liquified Petroleum Gas Plant (LPG), the Gas Turbine and the Tennessee Gas Pipeline Metering (TGP), the plowing services will be provided by the members for Roster #19 and the equipment used for those services will normally be that which is assigned to the Department.

For all other locations, the plowing services will be provided by Roster #7 and the equipment used for those services will be those that are normally assigned to that Department. As such, the

reference in the Inclement Weather, Memo #10 Item #9 under the "Gas" section will be eliminated, and it is expected that snow plowing will be conducted irrespective of the temperature restrictions stated in this memo.

The Snow Plowing Equalization List will be discontinued and all hours plowing will be recorded on the Emergency Overtime Equalization List.

The janitor will continue to use the snow blower and shovel and sand the sidewalks and entryways at the John Fitch Highway facility. He may be assisted by employees from other rosters.

Qualified licensed backhoe operator will be from Roster 7.

Employees in Roster 7 prior to 5/1/79 will not be required to provide service for snow plowing / removal and sanding.

Selection of personnel for these assignments during normal working hours will be by seniority. Employees in the various rosters, including Roster #8, will perform normal snow removal activities associated with their roster.

Section 9. Tools and Equipment

The Company will furnish to employees such tools and equipment as in its judgment are required for the class of work involved for use on Company work only. Employees may furnish personal tools and equipment for use on the Company work subject to the approval of the Company, except that rubber gloves, cover gloves, and liners and safety belts will always be furnished by the Company. Tools and equipment damaged or lost by misuse or neglect shall be replaced by the employee. Ownership of all tools and equipment furnished by Company shall remain with the Company and subject to its rules as to storage, inspection and turning in to the Department Head on the completion of the work requiring them. Upon termination of employment by the employees, all Company tools and equipment, or their replacement cost, shall be turned into the Company.

Section 10. Wash-up Time

On jobs requiring it, the Company allows wash-up time to the extent necessary and agrees to continue such allowance, and any complaints by an employee in this respect may be processed as a grievance. In most situations, a fifteen minute period at the end of the shift is sufficient

Section 11. Work Gloves

Work gloves shall be furnished by the Company at no cost to the employee, of a grade deemed by the Company suitable for the work involved. If the employee desires a better grade of glove, the Company will furnish that grade at half cost to the employee. Rubber hats, rubber coats, and rubber boots, or their equivalent, shall be furnished by the Company for those classes of work which require such equipment. Gloves and other equipment, above referred to, shall continue to remain the property of the Company, shall be replaced by the employee if damaged or lost through misuse or neglect, shall be turned in to the Company in order to obtain replacements, and, upon termination of employment, they shall be turned in to the Company by the employee, or their replacement cost paid for if such equipment has been lost or damaged through misuse or neglect and, provided further, that only one-half such replacement cost will be payable if the employee paid one-half the cost under the foregoing provisions.

Section 12. Gas Production

Employees in Roster 7 who entered the Roster after 5/1/82 may be assigned to the LNG and Propane Plants during the operating season. Assigned employees will not receive operating premium if their rates exceed Utilityman-1 rate, plus operating premium.

The number of assigned employees will be determined by Management and selection will be according to the following criteria:

1. Voluntary by seniority.
2. Assignment on the basis of less senior employees.

Utilitymen will report to assigned plant at start of shift.

During the production season, Utilitymen will be paid a car allowance of \$3.75/day when using own vehicles. A Company vehicle will be made available for travel to and from the LNG plant.

Operators will receive one-half hour (one way) travel allowance to the LNG plant only.

A reduction in forces in Roster 19 and/or the remote operation of the Propane Plant would not affect the continuing application of this agreement.

The Company will provide LNG and Propane Plant operators training to new employees entering Roster #7. Employees who initially fail Utilityman 1, 2 and 3 examinations will be able to retake the examination every ninety (90) days.

Section 13. Gassing Vehicles
5/18/85

Employees will fuel vehicles assigned to them by the Company.

Section 14. Upgrading - Line and Street Departments 5/1/87

Effective May 1, 1987, employees in Rosters 7 and 8, who are scheduled to be upgraded but due to inclement weather or other reasons do not work in that capacity, will be paid at their regular rate of pay. The provisions of Article VI, Section 2 on page 6 will apply in this situation.

Section 15. Off Season Assignments of Production Workers
5/1/87

Personnel in Roster 19 will be assigned to perform the following list of duties at any time throughout the year when not operating the gas plants:

- a. Maintenance of Propane and LNG Plants.
- b. Maintenance of 285 John Fitch facility and miscellaneous buildings and grounds.
- c. Delivery of material to job site.
- d. Cleanup of any substation, regulator station or right-of-way; including road patching (not on public ways), lawn cleanup hanging "Danger" signs, repair of fencing and buildings, etc.
- e. Maintenance of structures and accessories related to the operation of the gas turbine.

Section 16. Use of Company Backhoe 5/1/91

This will confirm our discussion during the negotiations in 1985 that under normal operations, the Company will ensure that our backhoe is being operated prior to the use of a contractor's backhoe.

The Company will make every effort to use the Company backhoe in jobs involving Roster 8 when it is not disruptive to its other operations.

Section 17. Assignment of Rental Service Work

Effective 5/1/85, employees in Roster 6, in the classifications of Gas/Electric Tester/Installer - 3rd Class and Meterman-Helper (Special) may be assigned service work on rentals for gas and electric hot water heaters and gas and electric dryers as part of the duties of the classifications. This does not affect the duties of employees in Roster 3 to also perform this function.

Section 18. Response to Overtime 5/1/87

Because of the nature of our business, and our need to provide 24-hour a day service to our customers, it is necessary that employees work a reasonable amount of overtime - planned and unplanned.

In departments where management determines there is no problem with response to overtime, local practices will continue. Where management determines there is an overtime response problem, a

meeting between management and the union will be held.

Following this meeting, department practices may be replaced by the following policy:

1. The company will establish a call list that will record each instance when an employee does not respond to the call out. The concept of equalization of overtime may apply.
2. Employees shall furnish an acceptable means of off-hour contact by telephone.
3. Employees who do not respond to a call will be charged with an instance for lack of response (exception - employees who are out on authorized absences). Employees shall not be charged with more than one instance in a twenty-four hour period or on two consecutive days of relief.
4. The lack of response records of employees will be reviewed on at least a quarterly basis. Consideration will be given to the number of instances, the reasons for lack of response and the average response record of the employee in the department. If, as a result of this review, management considers that an employee's lack of response record is excessive, a formal meeting will be held with the employee (with Union representation) and the employee will receive formal warning. A continued unsatisfactory response record, reviewed on a monthly basis, will result in more severe disciplinary action.

Section 19. Overtime

5/1/87

The Company and the Union recognize that overtime is an inherent part of the business and employees are expected to work unless an exception is granted by the department manager.

In the event an employee is unable to work overtime, the employee must receive a waiver from the department manager or his designee. An employee will be required to work continuous overtime on jobs he was working during his regular work hours.

The employee working second shift will be required to continue working if overtime is required rather than the calling in of additional personnel. If an employee refuses to work overtime, the employee will be subject to normal disciplinary action.

An employee scheduled to work overtime and who does not report, or leaves early, will be subject to disciplinary action.

Section 20. Attendance at Training Sessions

5/1/91

I. When training sessions are designated by the Company that require a temporary change in working hours, the following will prevail:

- A. The Company will provide seventy-two (72) hour advance notice of the training session to the employee(s) involved.
- B. The provisions of Articles V, Pg. 4 and VII, Pg. 7 will not apply.
- C. The employee will be provided a noontime meal or reimbursement for a noon meal at the option of the Company.
- D. The Company will provide a vehicle for transportation to and from the training site if held outside the service territory.
- E. Compensation will be at a straight time rate of pay for eight (8) hours, including travel time and time and one-half for all other hours. The provisions of Article IX, Section 5 on page 10 will apply.

II. If training sessions are conducted that require the trainee to stay overnight, the following will prevail:

- A. The Company will provide seven (7) days advance notice to the employee.
- B. The provisions of Articles V on page 4 and VII on page 7 will not apply.
- C. The Company will provide for reimbursement of meals and arrange for lodging.
- D. The Company will arrange for transportation of the employee to and from the training site.
- E. The employee will be compensated at the straight-time rate of pay for eight (8) hours for each day of training. There will be no additional compensation for travel time over and above the straight eight (8) hours.

Section 21. Meter Reader - Car Washing

5/1/87

Effective 5/1/87, Meter Readers may wash their personal vehicles

that are used for company business. They will be able to wash their vehicles between the hours of 7:30 a.m. and 5:00 p.m., but not during paid time.

Section 22. Training and Qualification 5/1/87

In Rosters 7 and 8, employees who wish to advance to a higher classification within the roster will be required to demonstrate their qualifications before advancement.

A Joint Subcommittee will be formed to review training needs and qualifications procedures.

Section 23. Meter Reading Department

The following practices shall apply to the Meter Reading Department:

1. Routes will be assigned by the Supervisor and will be rotated on a regular basis.
2. Employees will be entitled to a meal allowance when working overtime in accordance with Article IX, Section 5, Pg.10.
3. All training assignments for new meter readers will be made by the supervisor.
4. Meter Readers starting time will be changed to 7:30 a.m.
5. All routes should normally be completed by the Meter Reader before returning to the office. If the route requires overtime to read all meters, the Meter Reader must complete the assigned work before returning to the Company. Under unusual circumstances the matter of completing the route can be discussed by the employee with the Supervisor prior to the assignment.
6. Overtime for "mark sensing" will no longer apply. A joint committee of union and management will review all routes regarding this issue.

Section 24. Electric Night Troubleman - Electric Turn-on's 5/1/89

The Night Troubleman in the Electric Transmission & Distribution Department will not be required to turn on more than two (2) electric turn-ons per night.

Section 25. Records and Billing Vacancy 5/1/89

In the event an opening occurs in the Records & Billing section, the Company will post a Consumer Aide position with the ultimate rate of Step 7.

Section 26. Returning to Roster - With or Without Automatic Progression 5/1/91

The parties agree the Company will follow this agreement when awarding a job to an employee who is returning to a roster previously occupied by the employee.

Roster with Automatic Progression

In any roster that has automatic progression, if the senior eligible employee has previous time in the roster, the employee will be awarded the entry level position and the previously held classification on the same date. Exception: If in the opinion of the department manager and training committee, the employee was not qualified to perform the higher class work, the employee would be awarded the higher class when the manager and training committee felt the employee was qualified to perform the work. Seniority would be on the basis of the job award.

Roster without Automatic Progression

In any roster that does not have automatic progression, if the senior eligible employee has previous time in the roster, the employee will be awarded the entry level position. The employee would be evaluated by the training committees established in the labor agreement or be tested in accordance with the provisions of the labor agreement before being awarded a higher classification in the roster. The employee could request being tested or evaluated at any of the classifications he/she previously held in the roster. Seniority would be on the basis of the job award.

Section 27. Service Department Alternate Troubleman 5/1/91

The Alternate Night Troubleman would be assigned to fill in on a temporary basis when the other Night Troubleman is not available for work on the 1-9 p.m., 4 p.m.- 12 midnight or Tuesday - Saturday shift due to sickness, accident, vacation, etc.

Examples:

1. If one Troubleman takes a week's vacation on Tuesday-Saturday schedule, the other man will cover his normal 4 p.m.- 12 midnight, Monday-Friday shift plus work Saturday.
2. If one Troubleman takes a week's vacation on Monday-Friday, 4 p.m.- 12 midnight schedule, the other Troubleman will work Monday-Friday 4 p.m.- 12 midnight at regular time and Saturday at time and one-half.
3. If the Troubleman on the 4 p.m.- 12 midnight shift calls in sick, the 8 a.m.- 4 p.m. Troubleman will stay on and work 4 p.m.- 12 midnight on overtime. He would then be assigned to cover the 4 p.m.- 12 midnight shift only until the other Night Troubleman returns.
4. Coverage on Thanksgiving, Christmas and New Years will be alternated between each man yearly.
5. The Alternate Night Troubleman will be given first refusal for all overtime that is required by vacation, sickness or accident of the other Troubleman.
6. When the Night Troubleman returns to work, "Alternate" will be notified not later than 4:00 p.m. on the last day prior to the Night Troubleman's return. "Alternate" will report on the next working day at normal hours. If the Company is not able to meet this time factor, the "Alternate" and the regular Night Troubleman will work together for the first night after the regular Night Troubleman returns to work.

Example: Regular night Troubleman calls in sick on Tuesday and informs the Company that he/she will not report to work until Friday. The Alternate is notified and continues working until the end of the regular Troubleman's shift. The alternate then reports on Wednesday and Thursday at the start of the regular troubleman's shift. If the regular Troubleman reports in on Thursday for his/her regular shift and the alternate was not notified by 4:00 p.m. on Wednesday to change back to his/her normal schedule, the alternate and regular Troubleman would work together on that shift.

Section 28. Progression - Roster 7 and Roster 8 (Underground)

Applies to all future and current employees in these rosters.

Roster 7 Street Department

Progression from Streetman to Utilityman A

Streetman to Utilityman C	6 months
Utilityman C to Utilityman B	12 months
Utilityman B to Utilityman A	15 months

Roster 8 Underground Progression

Progression from Cable Splicer Helper to Cable Splicer 1st Class

Cable Splicer Helper to Cable Splicer 3rd Class	6 months
Cable Splicer 3rd Class to Cable Splicer 2nd Class	12 months
Cable Splicer 2nd Class to Cable Splicer 1st Class	15 Months

If employee is qualified, may progress more quickly

All incumbents start with effective date of agreement
If any employee does not qualify, he/she will be returned to classification previously held outside roster.

Section 29. Temporary Assignments Outside the Company's Service Area

Work assignments outside the Company's service areas with utilities or an affiliate of UNITIL Corporation will be on a voluntary basis.

The employee will be paid in accordance with the contract except when an emergency situation exist. Under emergency conditions, the employee will be paid in accordance with the Emergency Storm Premium.

The provision does not apply to assignments classed as non-working; for example, training, schools, meetings, etc.

BENEFITS

Section 1. Coffee Breaks

Coffee breaks will be limited to fifteen (15) minutes, one in the morning and one in the afternoon.

Section 2. Thermos Bottles

Thermos bottles of coffee are available for line and street department employees to take with them in the morning.

Section 3. Damaged Clothing

The Company will repair or replace clothing damaged by acid, chemicals, or fire because of employment or by accidents involving the use of hydraulic equipment on the line trucks, or, at its discretion, reimburse the employee for the cost if it does not decide to repair or replace the damaged clothing. Holes caused by heat or delayed chemical reaction will be considered as included within the meaning of damaged clothing.

Section 4. Treatment of Meal Allowances 5/1/87

This is to confirm discussions during the negotiations in 1985 that all meal fees that are submitted by employees without a receipt from the restaurant will be treated as an allowance and so reflected in the employees' wages. Meal allowances will be processed through the payroll system and reflected in the employees' paychecks. Under no circumstances will meal allowances be processed through petty cash.

Section 5. Motor Vehicle Insurance 5/1/87

Employees who use their own motor vehicles on company business will be covered for the insurance deductibles in the event of an automobile accident as long as they are not cited for a serious motor vehicle violation.

Section 6. Reimbursement for Safety Shoes

The Company, with appropriate documentation, will reimburse employees the full cost up to \$85.00 for the first pair, and one-half the cost, up to \$42.50 for the second pair of safety shoes, up to two (2) pair per calendar year or the Company will reimburse the employee up to \$127.50 for a single pair of safety shoes per calendar year.

Meter Readers will be reimbursed the full cost, up to \$85.00 each, for two (2) pair of safety shoes per year and may use safety sneakers during regular business hours.

Section 7. License Reimbursement

The Company will reimburse the cost of a valid motor vehicle and hoist engineer's license to those employees who are required to have such licenses as part of their job posting.

Employees will be required to submit a photostatic copy of their license in order to receive reimbursement.

It will be the employee's responsibility to meet all requirements to maintain and retain their license or licenses.

The Company will provide training so that employees will be able to obtain a Class No. 2 license for vehicle operation, and employees in Roster 7, 8 and 15 will be able to obtain a Class No. 1 license, and thus, be able to qualify on this score where possession of such a license is a job requirement.

ARTICLE XXVII BARGAINING UNIT WORK

Supervisors who are not covered by the Collective Bargaining Agreement will not normally perform bargaining unit work which employees, subject to such Agreement, are normally required to perform, except in the following circumstances: emergencies, training, demonstrations, testing, or trying out new equipment or methods; work incidental to supervisory duties; helpful or relieving a bargaining unit employee for short periods in cases of fatigue, strain, unusual condition or the like; occasions when

non-performance of the bargaining unit work by the supervisor would result in hardship, inefficiency or unjustifiable cost to the Company; and occasional instances when a bargaining unit employee is not readily available. Nothing in the foregoing shall be interpreted to mean that a supervisor, other than in emergencies, may perform bargaining unit work outside of an employee's regularly scheduled hours which the employee would normally be called in to perform, such as 13 KV switching on Saturday or Sunday.

ARTICLE XXVIII UNION BUSINESS

The Company will grant the employee who is the Union's Council Representative one (1) day off without pay to attend the monthly Council meeting.

Days off on union business will be considered a workday without pay for the following people:

- a.) President
- b.) Vice President
- c.) Secretary
- d.) National Representative
- e.) Grievance Committee Representative

ARTICLE XXIX UNITIL RETIREE TRUST

Employees are eligible to join the UNITIL Retiree Trust upon retirement from the Company.

ARTICLE XXX SAFETY

5/1/87

1. The Company and the Union agree that safety is a matter of highest importance and will cooperate in an effort to enforce the safety rules contained in the safety manual.
2. The Union will select five (5) representatives, one (1) each from the following areas: (Electric Overhead; Street; Production; Meter & Service and Office) to serve on the Safety Committee for a minimum of one (1) year. The membership will be rotated to ensure that all employees have the opportunity to participate on the committee.
3. The Company will provide a safety manual to each employee. The manual will be reviewed with the employee and any questions clarified. The employee will be expected to comply with the safety manual and violations will be enforced through the disciplinary process, up to and including termination.
4. All revisions to the Safety Manual will be sent to the Local President prior to implementation for review and discussion.

ARTICLE XXXI NO DISCRIMINATION

There will be no unlawful discrimination by the Company or the Union on account of race, color, religion, sex, age or national origin.

Whenever used in this Contract, a masculine pronoun shall be deemed to include the masculine and feminine gender.

ARTICLE XXXII DURATION AND TERMINATION

This agreement shall be effective as of May 1, 1994 except where the effective date of any provision thereof is otherwise specifically provided and shall be binding upon the parties hereto and upon all employees who are subject to its provisions, and it shall remain in full force and effect through April 30, 1997.

ARTICLE XXXIII SUCCESSORS

This agreement shall bind and inure to the benefit of the parties

hereto and their respective successors and assigns; and the words "Company" and "Brotherhood", respectively, shall be construed to include their respective successors and assigns.

IN TESTIMONY WHEREOF the parties hereto have caused these presents to be executed by their respective officers, thereunto duly authorized, this 13th day of June 1994

FITCHBURG GAS AND ELECTRIC LIGHT
COMPANY

By Priscilla Neault
Priscilla J. Neault, Vice
President and General Manager

THE BROTHERHOOD UTILITY WORKERS OF
NEW ENGLAND, INCORPORATED, LOCAL NO.
340

By Randall W. Hier
President, Local 340

Secretary, Local 340

THE BROTHERHOOD OF UTILITY WORKERS OF
NEW ENGLAND, INCORPORATED

By George P. Fogarty
George P. Fogarty, National Representative

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

SCHEDULE OF WAGES

	Ultimately Hourly Rate Effective		
	5-1-94	5-1-95	5-1-96
Roster 1 - Transportation			
Fleet Mechanic 1st.	19.61	20.25	20.97
Employees must have worked satisfactorily in the lower rated job for 15 months before advancing to a higher rate			
Fleet Mechanic 2nd..	18.08	18.67	19.32
Roster 2 - General Clerical "A"			
Clerk Typist	Step 6		
Meter Service			
Roster 3 - Appliance Service			
Gas Serviceman - 1st Class	18.81	19.68	20.62
Emergency Night Troublemán	16.70	17.24	17.84
Gas Serviceman - 2nd Class	16.70	17.24	17.84
Gas Serviceman - 3rd Class	15.18	15.68	16.22

1. Personnel entering any of the new classifications must be certified as qualified under the following list of requirements:

Gas Serviceman - 1st Class - Self-Cleaning Ranges, Commercial and Industrial Equipment and Gas Air Conditioners.

Gas Serviceman - 2nd Class - Central Heating Equipment, Space Heaters, Gas and Gas Ranges, Electric Water Heaters.

Gas Serviceman - 3rd Class - Gas Water Heaters and Ranges.

Night Troublemán: Must be a Gas Serviceman - 2nd Class.

2. Training Classes generally will be conducted during the day except as set forth in a letter dated August 14, 1964.

3. Upon completion of the necessary classes on any appliance, the employee must satisfactorily pass written examination based on the subject matter covered in the class. He must also satisfactorily demonstrate his ability to repair a malfunction of the appliance.
4. The examination and demonstrations will be prepared and administered by a gas and electric service supervisor with such manufacturer's assistance as is available. Samples showing the general type of examination will be submitted to the B.U.W. in advance. After satisfactory completion of examination and demonstration, the supervisor will certify the employee for the particular appliance. A Union representative may be present at examinations as an observer.
5. Training will be arranged first on those appliances required for the lowest classification and will be given progressively through the requirements for all classifications.
6. Each employee must be certified for all appliances required below as well as those required by the classification equal in wage rate to his present class before taking training and attempting certification for advancement.
7. As employees are certified for higher classes, they will be automatically advanced. If a junior employee advances to a classification higher than that of an employee senior to him in the present roster, the senior employee, upon advancement to that class, will be accorded seniority over the junior employee.
8. Present employees will not be reduced in wages, during the term of this contract, if they do not satisfactorily complete certification as required but shall not advance without certification.
9. Only after employees are certified for higher classification will they receive the higher rate of wages.
10. After certification on all appliances necessary to qualify as a Gas Serviceman - 1st Class, employees will be expected to accept training and certification on any newly-developed appliances without further change in rate.

Ultimately Hourly Rate Effective

	5-1-94	5-1-95	5-1-96
Roster 5 - Meter (Gas)			
Gas Fitter - Meterman	18.24	18.83	19.49
Employees must have worked satisfactorily in the lower rated job for 24 months before advancing to a higher rate			
Gas Fitter - Meterman	17.60	18.17	18.81
Roster 6 - Meter (Gas and Electric)			
Gas / Electric Tester / Installer - 1st Class	19.50	20.13	20.84
Gas / Electric Tester / Installer - 2nd Class	18.50	19.10	19.77
Gas / Electric Tester / Installer - 3rd Class	16.47	17.00	17.60
Gas / Electric Tester / Installer - Helper	15.91	16.43	17.01
Meterman Helper (Special)	14.89	15.38	15.92

Gas Distribution Department

	5-1-94		5-1-95		5-1-96	
Roster 7 - Street						
		*		*		*
Utilityman-A-Leader	19.46	19.97	20.30	20.83	21.22	21.76
Utilityman - A	18.24	18.76	18.83	19.37	19.49	20.04
Utilityman - B	16.29	16.83	16.82	17.38	17.41	17.99
Utilityman - C	15.26	15.77	15.76	16.28	16.31	16.85
Streetman	14.20	14.71	14.67	15.19	15.18	15.72
Utilityman-A-Leader / Reg	19.46	19.97	20.30	20.83	21.22	21.76
Utilityman - A / Regulator	18.24	18.76	18.83	19.37	19.49	20.04
Utilityman - B / Regulator	16.29	16.83	16.82	17.38	17.41	17.99
Utilityman - C / Regulator	15.26	15.77	15.76	16.28	16.31	16.85
Streetman / Regulator	14.20	14.71	14.67	15.19	15.18	15.72

* Thirty-five cents (\$.35) per hour is included in the base rate of employees in this roster qualified to operate the backhoe.

Electric Distribution Department

Ultimately Hourly Rate Effective

	5-1-94	5-1-95	5-1-96
Roster 8 - Electric Distribution			
Head Lineman	23.49	24.26	25.11
Emergency Night Troublemán	21.97	22.68	23.48
Lineman - 1st Class	21.14	21.82	22.59
Lineman - 2nd Class	17.26	17.82	18.45
Lineman - 3rd Class	16.41	16.94	17.53
Apprentice Lineman	15.59	16.10	16.66
Head Cable Splicer	23.57	24.33	25.18
Cable Splicer - 1st Class	21.35	22.05	22.82
Cable Splicer - 2nd Class	19.03	19.65	20.34
Cable Splicer - 3rd Class	17.18	17.74	18.36
Cable Splicer's Helper	16.24	16.77	17.36

(1) A premium of five cents (\$.05) per hour will be paid to any employee while so assigned, for the responsibility and operation of the Post Hole Digger unit. This premium does not apply to operators of the new corner-mount digger.

(2) Linemen who have worked 12 months after promotion to Third Class and qualified for promotion shall be advanced without posting to Second Class, and Linemen who have worked 15 months after promotion to Second Class and qualified for promotion shall be advanced without posting to First Class.

** Linemen who fail to qualify in either class after 18 months shall be reassigned to the position they held prior to being promoted or transferred. Such promotions will be made with the understanding that the number of personnel on the roster will not be increased because of these promotions. An applicant for a posted Third Class Lineman's vacancy shall be a qualified Apprentice Lineman with a minimum of six (6) months total time in that class.

** Amendment negotiated April 9, 1971. In the future, Linemen who have worked fifteen (15) months after promotion to Second Class and qualified for promotion to Lineman - First Class, will not be advanced without posting, as in the past.

Instead, when a Lineman-Second Class has qualified for promotion to Lineman-First Class, two (2) jobs will be posted, to facilitate the filling of one opening as follows:

1. Lineman-First Class

This will allow Emergency Night Troublemán, desirous of returning to days, to bid for the opening as well as the newly qualified Lineman-First Class. The award will be made to the Senior Qualified bidder.

2. Emergency Night Troublemán (Anticipated)

This will allow Linemen-First Class, including the newly qualified Lineman-First Class, to bid for this anticipated opening. In the event an opening does develop, the award will go to the Senior qualified bidder. If no one bids this anticipated opening, and the opening, in fact, occurs due to an Emergency Night Troublemán bidding and being awarded the Lineman-First Class opening, the newly qualified Lineman-First Class will be assigned the open Emergency Night Troublemán job.

(3) A premium of ten cents (\$.10) per hour will be paid to Apprentice Linemen when assigned to operate a jackhammer for periods of one (1) hour or more.

(4) Plus twenty cents (\$.20) per hour for actual time spent in splicing or cutting 2400 V cable alive in manhole.

(5) Premium of thirty-five cents (\$.35) per hour will be paid to Cable Splicers when splicing on fully insulated cables and/or potheads for time actually worked in the air necessitating use of suspended platform, ladder, bucket truck or when working from poles.

(6) In the event an Emergency Night Troublemán desires to

revert to the job of Lineman-1st Class, and a qualified Lineman-1st Class is willing to take the job of Emergency Night Troublemaker; the Company upon being advised of the desires of the two men, will post an anticipated vacancy for each of the two (2) jobs in order to provide a swap between them.

(7) Fifteen cents (\$.15) per hour will be included in the base rate for First Class Lineman and Head Linemen for 15 KV gloving.

Ultimately Hourly Rate Effective

	5-1-94	5-1-95	5-1-96
Roster 9 - Meter Readers			
Head Meter Reader	16.90	17.45	18.06
Meter Reader	15.85	16.37	16.94

Meter Readers shall be paid a car allowance of \$3.75 while using their own vehicle. Meter Readers shall be paid \$3.75 for meal allowance.

Roster 10 - General Clerical "B"
Consumer Aides

Step 6

Roster 11 - Stores			
Stock Clerk	17.06	17.61	18.23
Stockman	16.49	17.03	17.62

Roster 12 - Janitorial			
Janitor	13.63	14.07	14.56

Roster 13 - Collection			
Collector	16.84	17.39	18.00

Roster 15 - Repairs			
Repairman - 1st Class - Certified Welder	20.45	21.11	21.85
Repairman - 1st Class	19.72	20.37	21.08
Repairman - 2nd Class	17.72	18.29	18.93
Repairman - 3rd Class	16.24	16.77	17.36
Repairman's Helper	15.40	15.90	16.46
Custodian	14.14	14.60	15.11

Roster 16 - Electrical			
Working Foreman	22.02	22.74	23.53
Electrician - 1st Class and Relay Tester	20.45	21.11	21.85
Electrician - 1st Class	19.72	20.37	21.08
Electrician - 2nd Class	17.72	18.29	18.93
Electrician - 3rd Class	16.24	16.77	17.36

Employees entering this roster on or after 5/18/84 will be required to pass a written examination to advance within the roster.

Roster 19 - Gas Production			
Fireman (3rd Class Engineer's License)	20.21	20.87	21.60
Utilityman - 1	17.61	18.19	18.82
Utilityman - 2	17.12	17.67	18.29
Utilityman - 3	16.63	17.18	17.78

A \$1.25 per hour premium will be paid while operating the LNG and/or Propane Plants.

Roster 20 - Dig Safe			
Dig Safe Technician	16.71	17.25	17.85

CLERICAL PROGRESSION AND PAY PLAN

Applies to clerical employees in Rosters #2 and #10

All clerks as outlined in the Plan will enter clerical progression and pay plan as a probationary employee; and, if qualified, will progress under the following schedule:

Effective		Basic Rate Per Hour			
STEP	PERIOD IN STEP	5-1-94	5-1-95	5-1-96	
1. Clerk (Probationary)	3 Months	9.86	10.18	10.53	
2. Clerk (Probationary)	3 Months	10.61	10.95	11.34	
3. Clerk Regular	6 Months	11.30	11.67	12.07	
4. Clerk Regular	6 Months	11.99	12.38	12.81	
5. Clerk Regular	6 Months	13.23	13.81	14.45	
6. Clerk Regular		14.04	14.60	15.21	

All progression in the aforementioned steps is contingent upon demonstrated ability, increased job knowledge and satisfactory accomplishment. The Plan calls for personnel in this Roster to do any job in the Roster, and personnel in these Rosters may be temporarily assigned to help out during vacations, meal periods, rest periods, illness and other reasonable absences.

Effective 5/1/85, employees entering Rosters 2 and 10 will be allowed to advance to Step 5 of the Clerical Progression and Pay Plan. Step 5 will be considered the ultimate rate for these employees and they shall be expected to perform all the functions associated with employees in higher steps who entered the rosters before the effective date of this change.

Classification of Roster 10

The Company agrees to list positions in Roster 10 when posting openings as follows:

- Customer Service Representative
- Credit Representative
- Dispatch Operator
- Cashier
- Data Processing
- Billing Clerk
- Walk-in Representative - Customer Service
- Walk-in Representative - Credit
- Switchboard Operator / Receptionist
- Mailroom Clerk

POLICY WITH REFERENCE TO REST PERIOD

First Shift Workers

Employees who are required to work overtime after midnight will be entitled to seven and one-half (7 1/2) hours of rest from midnight to the start of the normal shift before reporting for work, except in cases of actual or threatened interruption of service. If such seven and one-half (7 1/2) hour period ends after the beginning of the normal workday, no deduction in pay will be made.

Example 1 - If an employee called at 12 midnight works to 3:00 a.m. His normal work day starts at 7:30 a.m. He is entitled to seven and one-half (7 1/2) hours rest time including travel and meal time. He is allotted three (3) hours rest and reports to work at 10:30 a.m.

Example 2 - If an employee called at 2:00 a.m. works to 4:00 a.m. His normal work day starts at 7:30 a.m. He is entitled to seven and one-half (7 1/2) hours rest time including travel and breakfast. He is allotted two (2) hours rest time and reports to work at 9:30 a.m.

Lunch periods are excluded from determination of rest period allotment.

Example 3 - If an employee called at 12:00 midnight works to 5:00 a.m. His normal work day starts at 7:30 a.m. He is entitled to seven and one-half (7 1/2) hours rest time including travel and meal time. He is allotted five (5) hours rest and reports to work at 12:50 p.m.

Example 4 - If an employee called at 2:00 a.m. works to

4:00 a.m. His normal work day starts at 8:00 a.m. He is entitled to seven and one-half (7 1/2) hours rest time, including travel and breakfast. He is allotted one and one-half (1 1/2) hours rest time and reports to work at 9:30 a.m.

First, Second and Third Shift Workers

In any twenty-four (24) hour period, an employee who has worked continuously sixteen (16) hours or more, except in case of interruption to service, is entitled to nine and one-half (9 1/2) hours rest (including travel time and established meal periods) before reassignment. If such rest period should overlap employee's normal workday, he shall suffer no loss in pay for the time involved.

When employees have worked twenty-four (24) or more consecutive hours, and such work extends into the employee's normal work day, he shall suffer no loss of paid rest entitlement for such hours extending into that normal work day.

Where the extended work period follows a scheduled work day of eight (8) hours with a one-hour paid lunch period, the scheduled work day will count as eight consecutive hours.

If the paid rest period ends two (2) hours or less, prior to the end of the employee's regular scheduled workday, the paid rest period will be extended to the end of such regular scheduled work day. If the paid rest period does not extend more than two (2) hours into such regular scheduled workday, the work crew in agreement with the supervisor will have the option of working the first part of the day and taking the paid rest period prior to the end of such regular scheduled workday.

When, following a rest period, an employee is scheduled to report for work shortly before his lunch period, the supervisor has discretion to excuse him from reporting back to work until after lunch, without loss of pay, depending upon the then-existing work requirements, and provided the employee has telephoned the supervisor prior to the time he was scheduled to report to ascertain whether he should report as scheduled or wait until after lunch.

The Company will consider employees completing a rest period to be available for overtime based on their standing on the overtime equalization list.

When an employee accrues rest time, it must be taken within three months of the time it is earned, in eight hour blocks, or it will not be available to the employee. All time currently accrued must be taken before 12/31/89.

Rest period will be granted to second shift workers only on a call-out which would disturb their sleep, i.e. the hours between midnight and 7:00 a.m.

SHIFT DIFFERENTIAL

Employees assigned to classification whose regularly scheduled hours start between 1:00 p.m. and 10:00 p.m. shall receive, in addition to their regular rate, a premium of eighty-five cents (\$.85) per hour for time worked; and employees assigned to classifications whose regularly scheduled hours start between 10:00 p.m. and 6:00 a.m. shall receive in addition to their regular rate, a premium of eighty-five cents (\$.85) per hour for time worked. Effective 5/1/94, this premium will increase to eighty-five cents (\$.85) per hour.

SUNDAY PREMIUM

A premium of twenty-five per cent (25%) of the straight-time basis rate of established classifications will be paid when work is performed on Sunday where such Sunday is within the regularly scheduled work-week of such class.

DOUBLE TIME ON SECOND DAY OF RELIEF WHICH IS SEVENTH DAY OF WORK

An employee who is required to work on his second consecutive day of relief, and having worked as much as three (3) hours on his first day of relief and all of his scheduled hours during the

seven (7) day period, shall be paid double his regular hourly rate of pay for hours worked on said second day of relief. An employee who has earned a premium in accordance with this provision will not be entitled to another such premium until he has again qualified for it on the basis of work performed in another seven (7) day period. A call out on the first day of relief does not meet the three (3) hour requirement unless the employee actually works three (3) or more hours.

For Monday to Friday workers, for the purposes of his premium payment, the first day of relief will be considered Saturday, the second day of relief the Sunday which is on the following day, and the seven (7) day period will be the period ending that Sunday.

For shift workers, or those on any other schedule the first day of relief and the second day of relief will be as allocated according to the payroll work week.

If the second day of relief occurs on a holiday, the holiday premium only will be paid and these premiums will not be pyramided.

In no event will the double time premium be paid more than once in any payroll work week.

OFF-HOUR COVERAGE

When so assigned, the rates for Off-Hour Coverage will be four dollars (\$4.00) per day plus an additional four dollars (\$4.00) per day for days of relief and holidays.

EMERGENCY CALL OUT

First shift employees who have a call-out which includes hours after midnight, when the next day is a day of relief (Friday night and Saturday night), will be paid double time for all hours after midnight until the normal starting time, as if it was not a day of relief, e.g., 7:30 a.m. for roster 7, 8, 15, 19 and 8:00 a.m. for all other rosters. The minimum for a call-out, between the above mentioned hours, will be double time for three (3) hours. There will be no double counting of hours after the normal starting time. This provision will also apply to employees on first shift who work other than Monday through Friday.

EXAMPLES:

- A. An employee whose normal days of relief are Saturdays and Sunday is called out and reports to work at 11:00 p.m. on Saturday and works until 1:00 a.m. on Sunday will be paid:

1 hour @ time-and-a-half (1-1/2) plus;
2 hours @ double time (2)

- B. An employee whose normal days of relief are Saturday and Sunday is called out and reports to work at 2:00 a.m. on Saturday and works until 4:00 a.m. on Saturday will be paid:

3 hours @ double time

- C. An employee from roster 7 or 8 whose normal days of relief are Saturday and Sunday is called out and reports to work at 4:00 a.m. on Sunday and works until 8:00 a.m. on Sunday will be paid:
3 and 1/2 hours @ double time (4:00 a.m. to 7:30 a.m.)
plus 1/2 hour @ time-and-a-half (7:30 a.m. to 8:00 a.m.)

- D. An employee from roster 3, 5, or 6 whose normal days of relief are Saturday and Sunday is called out and reports to work at 4:00 a.m. on Saturday and works until 8:00 a.m. on Saturday will be paid:

4 hours @ double time (4:00 a.m. to 8:00 a.m.)

- E. An employee whose normal days of relief are Saturday and Sunday is called out and reports to work at 5:30 a.m. on Saturday and works until 8:00 a.m. on Saturday will be paid:

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COMPANY POLICIES

For the information of all concerned, we are listing below a number of Company policies of general interest:

1. The Company intends to rotate assignments to the conventional line equipment in order to keep people proficient at climbing, but the duration of assignments is predicated upon individual capabilities, performance and interest. Although assignments will not always be equal they will be equitable. While the assignments are discretionary, they will not be discriminatory and the Company will be entirely willing at any time to discuss any complaints.
2. The Company has a Tuition Refund program for educational assistance under which the Company will refund to its regularly employed, full-time personnel 75% of the net tuition and registration cost of certain courses of study approved by the Company and related to the employee's present position, provided the other program requirements are met. Details of the program are available at the Personnel Office.
3. Payday for bargaining unit personnel will be Thursday, p.m.
4. Effective May 1, 1975, only those employees receiving telephone reimbursement, as of that date, will continue to be eligible for such reimbursement while in a classification to which such reimbursement applies. Should an eligible employee locate in a classification to which telephone reimbursement does not apply, his name will be removed from the list. However, should he revert to a classification to which the telephone reimbursement does apply, he will again become eligible. (The eligibility list is in the custody of the Payroll Department, and no new names will be added to it.)
5. When the Company temporarily requires a bargaining unit employee to perform supervisory work, as, for example, in the absence of a supervisor, the Company pays a premium of 10% of the employee's regular rate but not more than the rate of the supervisor, provided the employee is assigned the responsibility for the employees under him. In the event a Lineman-1st Class is temporarily assigned as Distribution Foreman and is assigned the responsibility for two or more crews, the Company pays the rate of the Head Lineman plus 10% of that rate, but not more than the rate of the Distribution Foreman.

When a bargaining unit employee in Roster 10 (Customer Services only) is upgraded under this policy, the employee will perform his regular bargaining unit work and supervisory assignments made by the manager.

At the present time, there is no intention to change the above policies, but the Company does intend to review them from time-to-time, and if changes are made, appropriate advance notice will be given to those concerned. None of the above policies will be changed unless the changes have been discussed with the Union.

FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY

This will confirm the following points discussed during collective bargaining negotiations in 1991 involving the sickness and accident policy.

1. The policy will apply to all full-time employees who are employed for six (6) months in a regular position.
2. The benefit will be for not more than 26 weekly payments in a 52-week period at \$200.00 per week.
3. The benefit will commence fifteen (15) days after the date of disability for a covered accident or sickness but will not provide payments for the period covered by the Disability Payment Plan (Article XVII, Pg. 25).
4. In the event the employee is absent due to an accident that occurred outside of work, the employee will notify the company and reimburse the company from the settlement, the amount received from the Accident and Sickness Policy for wages not to exceed the amount of the payment made under the plan.
5. The employee contribution to this plan will be \$0.92 per week. The plan will be reviewed annually to determine the amount of the employee contribution.
6. At the expiration of this benefit, the employee must apply for a personal leave. All benefits will cease unless an extension is approved by the Company.
7. Before the company makes payment under this plan, there must be medical evidence presented by the employee to substantiate the medical claim. The company will determine if the employee should be evaluated by the company physician to substantiate the medical evidence.
8. If there is a disagreement between the employee's physician and the company physician, the case will be referred to a recognized specialist or clinic in the field of medicine involved, whose opinion will be final and binding upon the parties. Whenever possible the University of Mass. Medical Center-Worcester will be used.
9. The employee must cooperate with the company in establishing and re-establishing medical eligibility under this plan. Failure to do so will result in termination of benefits under this plan.

Revised
MEMO PART "B"

May 1, 1991

The Brotherhood of Utility Workers of
New England, Inc.
Local No. 340
Fitchburg, MA 01420

Gentlemen:

In August 1972, the Company furnished uniforms to the Customer Service Department under the following discussed conditions:

The Company will furnish uniforms for Customer Service Department servicemen, the Appliance Parts Clerk, and Electric Meter Department personnel. The uniforms will consist of jackets, trousers, and shirts for the Customer Service Department personnel and Electric Meter Department personnel and a smock for the Appliance Parts Clerk. The employees will arrange for the laundering of these uniforms at their own expense. The employees will take reasonable care of the clothing furnished and they will be required to wear such clothing during all working hours.

Officers of Local No. 340, B.U.W. not only endorse the program of personnel in the Customer Service Department and the Electric Meter Department wearing uniforms but have offered to support this program by assisting the Company in seeing that the personnel involved wear said uniforms. In the event that one were not to wear the uniform for any reason, Local No. 340 officers requested that they be notified at which time they will immediately contact the individual involved and make every effort to see that the uniform will be worn with consistency. In the event the officers of Local No. 340 are unsuccessful in this initial assistance, the Company would then become involved and would resort to their normal disciplinary practices in

cases of infraction of Company rules.

Effective May 1, 1991, the Uniform Policy will be expanded to include employees in Rosters 1, 7, 8, 9, 15, 19 and the Janitor, Stockman and Mail and Supplies Clerk. The jacket provided to the meter readers will be laundered by the Company. All provisions of this letter will apply to these classifications.

Very truly yours,

Frank L. Childs
President

PART "C"

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
GROUP INSURANCE SUMMARY

There shall be maintained a Group Insurance program with the following benefits:

Group Life Insurance

Employees are eligible for group life insurance coverage equivalent to two times their basic annual wages reduced to the next lower full thousand. Employees hired before May 1, 1985 will be eligible for group life insurance coverage equivalent to three times their basic annual wages reduced to the next lower full thousand.

Employees become eligible for coverage after six months of employment.

Maximum Group Life Insurance coverage is \$100,000.

Fitchburg Gas And Electric Light Company pays insurance premium cost.

Accidental Death and Dismemberment

Employees are eligible for accidental Death and Dismemberment coverage equal to the total of their Group Life Coverage up to a maximum of \$5,000.

Fitchburg Gas And Electric Light Company pays insurance premium cost.

Insurance After Retirement

Employees retired on a pension may continue Group Life Insurance up to one-half of the amount carried at the time of retirement with the maximum being \$7,500.

Fitchburg Gas And Electric Light Company pays for the retiree's group life insurance.

Group Comprehensive Health Insurance

Group Comprehensive Health Services Insurance is provided for employees and their eligible dependents and is briefly outlined as follows:

A. Deductible: \$100 of "Covered Medical Expenses" for each member, each calendar year with a maximum of three deductibles per family per calendar year.

B. Coinsurance: Program pays 80% of first \$2,000 of "Covered Medical Expenses" in excess of deductible for each member each year.

C. Paid In Full: Program pays in full "Covered Medical Expenses" in excess of the coinsured amount and the deductible for the remainder of the calendar year.

Maximum lifetime benefit per member is \$1,000,000 (benefit for the treatment of mental and nervous disorders is limited to \$5,000 per calendar year, lifetime maximum \$10,000). Maximum out-of-pocket for "Covered Medical Expenses" is \$500 per member each calendar year. "Covered Medical Expenses" include charges which are usual, customary and reasonable for medically necessary service, (hospital, physicians, psychiatric, chiropractic and other required services and supplies).

While in the employ of the Company, if an employee suffers a fatal industrial accident, or an employee dies a natural or non-industrial accidental death leaving a widow(er), the widow(er) will continue to be covered under the Company's

Comprehensive Health Insurance Plan (with family coverage if there are dependent children) for a period of ten(10) years, or until remarriage, or until reaching age sixty-five (65), whichever occurs first.

Retirees under sixty-five (65) years and their dependents will be covered by the Group Comprehensive Health Insurance, and the Company will pay the premium for Retirees and their dependents for the first year following retirement. After this first year, retirees and their dependents will be eligible to receive health insurance benefits from the UNITIL Retiree Trust.

GROUP INSURANCE (cont.)

Active Employees and Retirees over sixty-five (65) years will be covered by a Supplement to Medicare Plan paid for by the Company. The eligible dependents (age 65 or over) of these active employees and retirees over sixty-five (65) years will also be covered under the Supplement to Medicare Plan with full premium paid for by the Company. The Company will pay the premium for Retirees and their dependents for the first year following retirement. After this first year, retirees and their dependents will be eligible to receive health insurance benefits from the UNITIL Retiree Trust.

Group Dental Plan

Group Dental Care Insurance is provided for employees and their eligible dependents and is briefly outlined as follows:

Coverage I: No deductible. 100% paid by insurance.
Diagnostic - Initial Examination; Examinations to determine the required dental treatment once in a six (6) month period:

- X-Rays - Full Mouth/Panorex.
- X-Rays once in a three (3) year period.
- Bitewing X-rays once each twelve (12) month period.
- Peripical X-Rays as necessary.
- Preventative - Cleanings once in a six (6) month period.
- Fluoride - once in a twelve (12) month period (age limit 19).
- Space Maintainers.

Coverage II: \$25 deductible per member per insurance plan year. After deductible, 80% paid by insurance, 20% paid by patient.

- Restorative - Amalgam, Silicate and Acrylic restorations.
- Oral Surgery - Extraction's.
- Endodontics - Pupal therapy; root canal filling.
- Periodontics - Treatment of gum disease; includes periodontal cleanings.
- Dental Repair - Repair of removable denture to its original condition.
- Palliative - Emergency Treatment.

Coverage III: \$25 deductible per member per insurance plan year. After deductible, 50% paid by insurance, 50% paid by patient.

- Crowns and build-ups for crowns.
- First placement of inlays and bridges.
- First placement of partial or full dentures.

Coverage IV: No deductible. 50% paid by insurance, 50% paid by patient.

- Orthodontia. Lifetime maximum for this benefit is \$1,000 per person.

Maximum of three (3) deductibles per family per insurance plan year and a maximum payment by the plan of \$750 per member per insurance plan year.

This benefits summary is for informational purposes only. The benefits are described more fully in the applicable master group insurance policy. The extent of coverage for each individual is governed at all times by that document. In the event of any conflict between this summary and the plan documents, the plan document will govern.

PART "D"

LETTERS OF INTENT

	Subject	Date of Letter	Page
1	Consecutive Days of Relief Language - Art. VI	5/1, 1973	69
2	Vacations - Call-in Form	5/1, 1973	70
3	Plans to Furlough During Term of Contract	5/1, 1994	70

May 1, 1973

The Brotherhood of Utility Workers of New England, Inc.
Local No. 340
Fitchburg, Massachusetts

Gentlemen:

It was agreed to delete the second parenthetical reference (Lines 12-24, Page 11, of the 1970-1973 Contract booklet) because there are no present schedules with three or four consecutive days of relief in a two-week period. It was further agreed that if there should be any applicable schedule in the future with days of relief so scheduled, the deleted language would be added to the agreement and again be effective as before.

Very truly yours,

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

By (s) Howard W. Evirs, Jr.
President

May 1, 1973

The Brotherhood of Utility Workers of New England, Inc.
Local No. 340
Fitchburg, Massachusetts 01420

Gentlemen:

This will confirm to you during negotiations as to our policies on employees being called in to work during their scheduled vacation periods. The Company recognizes the importance and desirability of employees being able to enjoy their vacations and, therefore, will call in employees to work during such periods only in emergency situations or for urgent reasons beyond those encountered under usual day-to-day operations.

Very truly yours,

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

By (s) Howard W. Evirs, Jr.
President

May 1, 1994

The Brotherhood of Utility Workers, Inc.
Local No. 340
Fitchburg, Massachusetts

Gentlemen:

The Company has no plans to furlough any regular employees during the term of the present contract. However, the Company must be

free to deal with unexpected situations brought about by economical or technological changes, acts of God, natural or man-made disasters, etc., and will do so to the optimum benefit of its' employees, owners and customers.

Very truly yours,

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

By (s) Priscilla J. Neault
Vice President and General Manager

PROGRESSION CHART

ROSTER 1 TRANSPORTATION

Fleet Mechanic-1st Class

Fleet Mechanic-2nd Class (15 Months to 1st Class)

ROSTER 2 CLERICAL "A"

Clerk Typist Step 6

(See Clerical Progression and Pay Plan - Page 57)

ROSTER 3 METER & SERVICE

Gas Serviceman-1st Class

Emergency Night Troubleman

Gas Serviceman-2nd Class

Gas Serviceman-3rd Class

Progression Based on Successfully Passing Writtten and Field Exam.

ROSTER 5 METER (GAS)

Gas Fitter Meterman

Gas Fitter Meterman (24 Months Before Advancing)

ROSTER 6 METER (GAS & ELECTRIC)

Gas/Electric Tester/Installer-1st Class

Gas/Electric Tester/Installer-2nd Class

Two (2) years in the classification

Gas/Electric Tester/Installer-3rd Class

Two (2) years in the classification

Gas/Electric Tester/Installer Helper

Six (6) months in the classification

Meterman Helper (Special)

No automatic Progression

ROSTER 7 STREET

Utilityman-A-Leader

Utilityman-A

Utilityman-B (15 Months to Utilityman-A)

Utilityman-C (12 Months to Utilityman-B)

Streetman (6 Months to Utilityman-C)

ROSTER 8 ELECTRIC DISTRIBUTION

Head Lineman

Emergency Night Troubleman

Lineman-1st Class

Lineman-2nd Class (15 Months to 1st Class)

Lineman-3rd Class (12 Months to 2nd Class)

Apprentice Lineman (6 Months to 3rd Class)

Head Cable Splicer

Cable Splicer 1st Class

Cable Splicer 2nd Class (15 Months to 1st Class)

Cable Splicer 3rd Class (12 Months to 2nd Class)

Cable Splicer Helper (6 Months to 3rd Class)

ROSTER 9 METER READER

Head Meter Reader

Meter Reader

No Automatic Progression

ROSTER 10 CLERICAL "B"

Customer Service Representative

Credit Representative

Dispatch Operator

Cashier

Data Processing

Billing Clerk

Walk-in Representative - Customer Service
 Walk-in Representative - Credit
 Switchboard Operator / Receptionist
 Mailroom Clerk
 (See Clerical Progression and Pay Plan - Page 57)

ROSTER 11 STORES
 Stock Clerk
 Stockman
 No Automatic Progression

ROSTER 12 JANITORIAL
 Janitor
 No Automatic Progression

ROSTER 13 COLLECTIONS
 Collector
 No Automatic Progression

ROSTER 15 REPAIRS
 Repairman-1st Class Certified Welder
 Repairman-1st Class
 Repairman-2nd Class
 Repairman-3rd Class
 Repairman-Helper
 No Automatic Progression

ROSTER 16 ELECTRICAL
 Electrician-1st Class & Relay Tester
 Electrician-1st Class
 Electrician-2nd Class
 Electrician-3rd Class
 Progression Based on Successfully Passing a Written
 Exam for Each Class

ROSTER 19 GAS PRODUCTION
 Utilityman 1
 Utilityman 2 - Must have held U-2 12 Mo.) Per
 Utilityman 3 - Must have held U-3 12 Mo.) Postings
 Progression Based on Successfully Passing a Written
 Exam for Each Class.

ROSTER 20 DIG SAFE
 Dig Safe Technician
 No Automatic Progression

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UNITIL CORPORATION

Computation in Support of Earnings per Share

	Year Ended December 31,		
	1994	1993	1992
	(000's Omitted)		
PRIMARY EARNINGS PER SHARE			
Net Income	\$8,038	\$7,600	\$6,570
Less: Dividend Requirements on Preferred Stock	291	298	352
Net Income Applicable to Common Stock	\$7,747	\$7,302	\$6,218
Average Number of Common Shares Outstanding	4,234	4,181	4,133
Earnings per Average Common Share Outstanding	\$1.83	\$1.75	\$1.50
FULLY-DILUTED EARNINGS PER SHARE			
Net Income	\$8,038	\$7,600	\$6,570
Less: Dividend Requirements on Preferred Stock	291	298	352
Net Income Applicable to Common Stock	\$7,747	\$7,302	\$6,218
Average Number of Common Shares Outstanding and Equivalents*	4,306	4,249	4,168
Earnings per Average Common Share Outstanding	\$1.80	\$1.72	\$1.49

* Assumes conversions of options outstanding and repurchase of Common Shares outstanding with proceeds.

UNITIL CORPORATION

Computation in Support of Ratio of Earnings to Fixed Charges

Year Ended December 31,
1994 1993 1992 1991 1990

(000's Omitted Except Ratio)

Earnings:

Net Income, per Consolidated Statements of Earnings	\$8,038	\$7,600	\$6,570	\$2,365	\$5,519
Federal Income Tax	3,480	3,627	2,482	940	1,535
Deferred Federal Income Tax	(186)	(179)	565	589	1,259
State Income Tax	610	610	706	746	1,192
Deferred State Income Tax	72	(154)	74	151	35
Amortization of Investment Tax Credit	(211)	(217)	(210)	(212)	(212)
Interest on Long-term Debt	4,825	5,692	5,803	6,147	6,155
Amortization of Debt Discount and Expense	64	119	143	431	424
Rents (annual interest component)	561	592	610	627	689
Other Interest	909	713	1,003	1,489	1,399
Total	\$18,162	\$18,403	\$17,746	\$13,273	\$17,995

Fixed Charges:

Interest on Long-term Debt	\$4,825	\$5,692	\$5,803	\$6,147	\$6,155
Amortization of Debt Discount and Expense	64	119	143	431	424
Rents (annual interest component)	561	592	610	627	689
Other Interest	909	713	1,003	1,489	1,399
Total	\$6,359	\$7,116	\$7,559	\$8,694	\$8,667

Ratio of Earnings to Fixed Charges	2.86	2.59	2.35	1.53	2.08
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Subsidiaries of Registrant

The Company or the registrant has seven wholly-owned subsidiaries. Six of which are corporations organized under the laws of The State of New Hampshire: CECO, E&H, UNITIL Power, UNITIL Realty, UNITIL Resources and UNITIL Service. The seventh, FG&E, is organized under the laws of The State of Massachusetts.

	DEC-31-1994	
	JAN-01-1994	
	DEC-31-1994	
	YEAR	
	PER-BOOK	
121,573,002		
137,698		
21,882,786		
60,927,975		
	0	
	204,521,461	
1,062,198		
	27,183,016	
59,997,198		
	31,751,984	
	3,868,600	
	225,000	
	65,288,231	
	0	
	0	
	0	
292,090		
	0	
3,377,389		
	460,152	
71,012,800		
204,521,461		
153,415,890		
	4,137,430	
135,504,956		
139,642,386		
	13,773,504	
	62,887	
13,836,391		
	5,798,192	
	8,038,199	
	291,543	
7,746,656		
	5,243,516	
	4,825,160	
	16,349,217	
		1.83
		1.80