



Unitil Reports 3rd Quarter Earnings

November 1, 2000

Hampton, NH – November 1, 2000: Unitil Corporation (AMEX: UTL) (www.unitil.com) today announced diluted earnings for the third quarter 2000 of \$0.23 per average common share, a decrease of \$0.12 from the third quarter 1999. This decrease reflects a \$0.06 reduction in earnings from Utility Operations, as well as a \$0.06 reduction in earnings related to planned start-up costs of the Company's e-commerce business, Usource.

The decreased earnings in Utility Operations primarily reflect decreased electric sales due to a cooler summer and the loss of revenues from a major customer. Also impacting net income was an increase in Operation and Maintenance expenses related to restructuring activity and an increase in depreciation and amortization expenses, offset by a decrease in local property and other taxes.

On a year-to-date basis, diluted earnings decreased \$0.23 to \$1.02 per share, compared to \$1.25 per share for the first nine months of 1999. This reflects a \$0.04 decrease in earnings from Utility Operations and a \$0.19 decrease related to Usource.

"Unitil continues to execute its strategic plan, and results are in line with our expectations for both our distribution business and our new online business, Usource," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "We continue to believe our investment in Enermetrix.com and Usource, combined with continued growth in our distribution business, will deliver increasing value to our shareholders."

Unitil began its Usource Internet-based brokering business in mid-1999, and, in June 2000, launched an enhanced technology platform at www.usourceonline.com. The Company continues to fund additional technology development, as well as costs for increased sales and marketing and product development. As a result of energy price increases and volatility, Usource experienced slow growth of transactions and revenues in the third quarter. Nevertheless, Usource continues to add new customers, and transaction volumes for natural gas are up. Usource is in the process of expanding its offerings of products and services as a comprehensive online energy solutions center and is extending its market reach to new geographic territories.

Operating Revenues increased in all three periods in 2000, when compared to the 1999 periods, largely because of increased fuel and gas costs, which are a direct pass through on customer's bills and do not affect the Company's net income. The drivers for revenues net of these fuel costs are electric kWh sales and gas firm therm sales.

Total electric kWh sales volume decreased 4.3% in the third quarter and 1.5% on a year-to-date basis, reflecting a cooler summer period and the loss of a major customer. In the third quarter of 2000, our service areas experienced approximately 48% fewer cooling degree-days than in the third quarter of 1999. A major customer curtailed operations in 1999 and rescinded its power contracts in the second quarter of 2000. A new owner has purchased the facility, and has announced plans to retool and resume operations during 2001. Residential sales decreased by 5.3% in the third quarter. On a year-to-date basis, Residential sales increased 1.4%, a result of customer growth. Commercial and Industrial sales decreased 3.7% and 3.0%, respectively, for the three- and nine-month periods.

Total Firm Therm gas sales increased 6.9% and 6.2% in the three- and nine-month periods, respectively. This reflects continued growth as a result of the strong regional economy, gas marketing efforts in our service territories, and a colder winter heating season compared to the prior year.

Diluted earnings per average common share for the 12 months ended September 30, 2000 and 1999, were \$1.51 and \$1.77, respectively. This decrease is partially attributable to a \$0.03 decrease in earnings related to Utility Operations. Additionally, Usource's loss increased \$0.23 during this period as a result of planned increases in expenditures related to sales, marketing, and product development.

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

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

Unitil Corporation

(Amounts In Thousands, except Shares and Per Share Data)

	Three Months Ended <u>September 30,</u>	
	<u>2000</u>	<u>1999</u>
Operating Revenues	\$44,464	\$42,738
Net Income Applicable to Common Stock	\$1,067	\$1,643

Basic Earnings Per Share	\$0.23	\$0.35
Diluted Earnings Per Share	\$0.23	\$0.35

Average Common Shares Outstanding	4,725,989	4,703,069
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Nine Months Ended
September 30,

	<u>2000</u>	<u>1999</u>
Operating Revenues	\$133,689	\$127,846

Net Income Applicable to Common Stock	\$4,825	\$5,850
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Basic Earnings Per Share	\$1.02	\$1.25
Diluted Earnings Per Share	\$1.02	\$1.25

Average Common Shares Outstanding	4,720,236	4,673,318
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Twelve Months Ended
September 30,

	<u>2000</u>	<u>1999</u>
Operating Revenues	\$178,216	\$168,674

Net Income Applicable to Common Stock	\$7,145	\$8,214
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Basic Earnings Per Share	\$1.51	\$1.77
Diluted Earnings Per Share	\$1.51	\$1.77

Average Common Shares Outstanding	4,717,461	4,639,837
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