



Usource online bidding provides natural gas supply to Ilion, NY

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Hampton, NH – May 30, 2000 Unitil Corporation (AMEX: UTL) (www.unitil.com) announced today that UsourceTM, its Internet-based energy auction service, has executed its first aggregated energy transaction for a municipality, the Village of Ilion, NY.

Through Usource, Ilion has procured natural gas supply for roughly 1000 residential customers and 30 commercial and industrial customers. This is the first phase of Ilion's multiphase energy procurement program, which will include additional residential and commercial as well as industrial accounts. Usource worked in concert with Ilion's consultant, Power Alternatives, which Ilion hired to assist with its customer aggregation program.

Launched in mid-1999, Usource provides Internet-based energy procurement services to energy buying groups, and large commercial, industrial and institutional customers throughout New York, New England and Pennsylvania. Customers include MI Energy, L.L.C., a consortium of many of the largest industrial firms in New York State, the New York City Housing Authority, and large industrial firms in competitive markets throughout the region.

Usource allows large commercial/industrial customers and aggregators to post their energy needs on the Internet for over 50 pre-qualified suppliers to evaluate and bid. If the supplier offers a price the buyer wants, and the supplier meets the buyer's terms and conditions, the deal is done. Unlike many Internet sites that merely compare prices for standard offers by suppliers, Usource is a live auction, utilizing the sophisticated Energy Exchange developed and operated by Enermetrix.com (www.enermetrix.com), in which suppliers make firm bids against firm commitments by customers to buy their electricity and gas.

"This partnership with Usource guides Ilion into the next millennium, and it further enhances our focus on cost-cutting and efficient government operations," said Mark Cushman, Ilion's Village Administrator.

He found that Usource eliminated the cumbersome RFP process. He also liked the fact that as many as 50 pre-qualified suppliers had the opportunity to bid on Ilion's energy needs. He was also pleased with the energy expertise Usource staffers provided. Usource applies its highly experienced organization towards analyzing customer costs and comparing it to supplier bids.

"We thank the Village of Ilion for their business and invite other municipalities and aggregators to test for themselves the ease and simplicity of acquiring competitive energy supplies through Usource," said Unitil CEO Bob Schoenberger.

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. The Usource product line is operated by its subsidiary Unitil Resources, Inc., and is available at www.usourceonline.com. Unitil's other subsidiaries include Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp. and Unitil Service Corp.

For more information, visit Unitil at www.unitil.com or call Todd Black at 603-773-6530.

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