FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended June 30, 1997

Commission File Number 1-8858

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

New Hampshire	02-0381573
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6 Liberty Lane West, Hampton, New Hampshire	03842
(Address of principal executive office)	(Zip Code)

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

NONE
(Former name, former address and former fiscal year, if changed since last report.)

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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 1, 1997
Common Stock, No par value	4,415,051 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

INDEX

PART 1. FINANCIAL INFORMATION

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996	1997	1996
Operating Revenues:				
Electric	$36,899	$36,351	$74,958	$73,047
Gas	3,702	4,253	10,968	11,702
Other	13	7	21	30
Total Operating Revenues	40,614	40,611	85,947	84,779
Operating Expenses:				
Fuel and Purchased Power	24,644	24,740	50,116	48,978
Gas Purchased for Resale	2,228	2,831	6,594	7,155
Operating and Maintenance	5,901	6,384	11,548	12,208
Depreciation	1,867	1,668	3,769	3,301
Amort. of Cost of Abandoned Properties	356	416	757	905
Provisions for Taxes:				
Local Property and Other	1,353	1,260	2,724	2,573
Federal and State Income	834	881	2,392	2,633
Total Operating Expenses	37,183	38,180	77,900	77,753
Operating Income	3,431	2,431	8,047	7,026
Non-Operating Expense (Income)	11	(630)	17	(643)
Income Before Interest Expense	3,420	3,061	8,030	7,669
Interest Expense, Net	1,765	1,464	3,460	2,876
Net Income	1,655	1,597	4,570	4,793
Less Dividends on Preferred Stock	69	67	138	138
Net Income Applicable to Common Stock	$1,586	$1,530	$4,432	$4,655
Average Common Shares Outstanding	4,404,558	4,344,380	4,397,062	4,339,332
Earnings Per Share of Common Stock	$0.36	$0.35	$1.01	$1.07
Dividends Declared Per Share of Common Stock (Note 1)	$0.335	$0.33	$1.005	$0.99

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Amounts in Thousands)

	June 30,		December 31,
	1997	1996	1996
ASSETS:			
Utility Plant:			
Electric	$161,688	$152,853	$157,875
Gas	29,135	27,786	28,729
Common	19,220	7,522	18,780
Construction Work in Progress	2,902	10,589	2,161
Total Utility Plant	212,945	198,750	207,545
Less: Accumulated Depreciation	66,827	62,165	63,787
Net Utility Plant	146,118	136,585	143,758
Other Property & Investments	42	42	42
Cash	2,752	2,538	2,903
Accounts Receivable - Less Allowance for Doubtful Accounts of $721, $678 and $660	15,694	14,439	16,383
Materials and Supplies	2,278	2,194	2,479
Prepayments	703	743	481
Accrued Revenue	6,172	3,780	8,859
Total Current Assets	27,599	23,694	31,105

Deferred Assets:			
Debt Issuance Costs	800	857	829
Cost of Abandoned Properties	24,676	26,350	25,432
Prepaid Pension Costs	7,731	7,141	7,348
Other Deferred Assets	24,365	23,722	23,594
Total Deferred Assets	57,572	58,070	57,203
TOTAL	$231,331	$218,391	$232,108

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Amounts in Thousands)

	June 30,		December 31,
	1997	1996	1996
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	$68,756	$64,951	$67,974
Preferred Stock, Non-Redeemable, Non-Cumulative	225	225	225
Preferred Stock, Redeemable, Cumulative	3,666	3,666	3,666
Long-Term Debt, Less Current Portion	65,400	62,204	60,917
Total Capitalization	138,047	131,046	132,782
Capitalized Leases, Less Current Portion	4,492	3,585	4,630
Current Liabilities:			
Long-Term Debt, Current Portion	4,272	1,262	1,294
Capitalized Leases, Current Portion	923	792	1,000
Accounts Payable	16,091	15,288	15,104
Short-Term Debt	9,625	6,100	21,400
Dividends Declared and Payable	1,673	1,614	191
Refundable Customer Deposits	2,474	1,814	1,585
Taxes (Refundable) Payable	(132)	(56)	(147)
Interest Payable	1,086	1,453	1,484
Other Current Liabilities	2,567	4,169	2,044
Total Current Liabilities	38,579	32,436	43,955
Deferred Liabilities:			
Investment Tax Credits	1,522	1,705	1,610
Other Deferred Liabilities	8,128	8,786	8,489
Total Deferred Liabilities	9,650	10,491	10,099
Deferred Income Taxes	40,563	40,833	40,642
TOTAL	$231,331	$218,391	$232,108

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Amounts in Thousands)

	Six Months Ended June 30,	
	1997	1996
Net Cash Flow from Operating Activities:		
Net Income	$4,570	$4,793
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,526	4,206
Deferred Taxes	187	392
Amortization of Investment Tax Credit	(87)	(99)
Provision of Doubtful Accounts	416	476
Amortization of Debt Issuance Costs	28	28
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Accounts Receivable	273	17
Materials and Supplies	201	82
Prepayments and Prepaid Pension	(605)	(760)
Accrued Revenue	2,687	(1,202)
Increase (Decrease) in:		

Accounts Payable	987	723
Refundable Customer Deposits	889	(424)
Taxes and Interest Accrued	(383)	(245)
Other, Net	(911)	840
Net Cash Provided by Operating Activities	12,778	8,827
Net Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equip.	(5,863)	(10,119)
Net Cash Used in Investing Activities	(5,863)	(10,119)
Cash Flows from Financing Activities:		
Net (Decrease) Increase in Short-Term Debt	(11,775)	3,400
Net Increase (Decrease) in Long-Term Debt	7,461	(39)
Dividends Paid	(3,066)	(2,991)
Issuance of Common Stock	573	524
Retirement of Preferred Stock	0	(108)
Repayment of Capital Lease Obligations	(259)	(354)
Net Cash Flows from Financing Activities	(7,066)	432
Net Increase (Decrease) in Cash	(151)	(860)
Cash at Beginning of Year	2,903	3,398
Cash at June 30,	$2,752	$2,538
Supplemental Cash Flow Information:		
Cash Paid for:		
Interest Paid	$3,800	$2,893
Federal Income Taxes Paid	$1,960	$2,232
Non-Cash Financing Activities:		
Capital Leases Incurred	$0	$256

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

Note 1.

Dividends Declared Per Share:

Three regular quarterly common stock dividends were declared during the six month periods ended June 30, 1997 and 1996.

Common Stock Dividend:

On June 5, 1997, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.335 per share which is payable on August 15, 1997 to shareholders of record as of August 1, 1997.

On March 6, 1997, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.335 per share which was payable on May 15, 1997 to shareholders of record as of May 1, 1997.

On January 21, 1997, the Company's Board of Directors approved a 1.5% increase to the dividend rate on its common stock. The new regular dividend rate of $0.335 per share was payable February 14, 1997 to shareholders of record as of January 31, 1997.

Note 2.

Common Stock:

During the second quarter of 1996, the Company sold 17,919 shares of Common Stock, at an average price of $18.95 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of $339,496 were used to reduce short-term borrowings.

Note 3.

Preferred Stock:

Details on preferred stock at June 30, 1997, June 30, 1996 and December 31, 1996 are shown below:

(Amounts in Thousands)

	June 30, 1997	June 30, 1996	December 31, 1996
Preferred Stock:			
Non-Redeemable, Non-Cumulative, 6%, $100 Par Value	$225	$225	$225
Redeemable, Cumulative, $100 Par Value:			
8.70% Series	215	215	215
5% Dividend Series	91	91	91
6% Dividend Series	168	168	168

8.75% Dividend Series	344	344	344
8.25% Dividend Series	406	406	406
5.125% Dividend Series	1,035	1,035	1,035
8% Dividend Series	1,407	1,407	1,407
Total Redeemable Preferred Stock	3,666	3,666	3,666
Total Preferred Stock	$3,891	$3,891	$3,891

Note 4.

Long-term Debt:

Details on long-term debt at June 30, 1997, June 30, 1996 and December 31, 1996 are shown below:

(Amounts in Thousands)

	June 30, 1997	June 30, 1996	December 31, 1996
Concord Electric Company:			
First Mortgage Bonds:			
Series C, 6 3/4%, due January 15, 1998	$1,520	$1,552	$1,552
Series H, 9.43%, due September 1, 2003	5,850	6,500	5,850
Series I, 8.49%, due October 14, 2024	6,000	6,000	6,000
Exeter & Hampton Electric Company:			
First Mortgage Bonds:			
Series E, 6 3/4%, due January 15, 1998	497	504	504
Series H, 8.50%, due December 15, 2002	805	910	805
Series J, 9.43%, due September 1, 2003	4,500	5,000	4,500
Series K, 8.49%, due October 14, 2024	9,000	9,000	9,000
Fitchburg Gas and Electric Light Company:			
Promissory Notes:			
8.55% Notes due March 31, 2004	15,000	15,000	15,000
6.75% Notes due November 30, 2023	19,000	19,000	19,000
Unitil Realty Corp.			
Senior Secured Notes:			
8.00% Notes Due August 1, 2017	7,500	0	0
Total	69,672	63,466	62,211
Less: Installments due within one year	4,272	1,262	1,294
Total Long-term Debt	$65,400	$62,204	$60,917

Note 5.

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the consolidated financial position as of June 30, 1997 and 1996; and results of operations for the three and six months ended June 30, 1997 and 1996; and consolidated statements of cash flows for the six months ended June 30, 1997 and 1996. Reclassifications of amounts are made periodically to previously issued financial statements to conform with the current year presentation.

The results of operations for the six months ended June 30, 1997 and 1996 are not necessarily indicative of the results to be expected for the full year.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

EARNINGS

Earnings per average common share were $1.01 for the first six months of 1997, versus $1.07 for the first six months of 1996. This decrease of $0.06 per share, or 6%, was due to lower electric and gas base revenues billed during the winter months. Lower Electric and Gas Sales through June reflect milder weather in the first quarter of 1997, which was 12% warmer than the first quarter of 1996. The weather during the second quarter was closer to normal, with a warmer than usual June, and sales rebounded to match the second quarter levels achieved last year.

Earnings for the six months ended June 30, 1997 reflect lower operation and maintenance expenses and earnings for the six months ended June 30, 1996 reflect a one-time gain realized from the eminent domain taking of the Company's former corporate headquarters by the State of New Hampshire . These contributions to earnings were offset by higher depreciation, interest and property tax expenses in 1997, and by a one-time charge to earnings for increased expenses associated with the Company's participation in the New Hampshire Electric Retail Competition Pilot Program in 1996.

Total operating revenues for the Unitil System of companies increased 1.4% to $85.9 million in the first six months of 1997 from $84.8 million in the first six months of 1996 as a result of higher fuel and purchased power revenues. Fuel and purchased power revenues are collected from customers as a separate component of their monthly bill, and do not affect net income as they normally mirror changes in fuel and purchased power costs.

Base revenues are operating revenues which the Company realizes in addition to fuel, purchased power and cost of gas revenues and which have a direct impact on net income. Base revenues declined during the first six months of 1997 by 1.4% to $28.1 million from $28.5 million in the first six months of 1996. The impact on earnings of lower base revenues during the first six months of 1997 was a decline of approximately $0.06 per share versus the first six months of 1996. This decline was attributable to lower firm gas sales in the first quarter due to the milder winter weather.

The Energy Sales table on the following page shows energy consumption by customer class for the three and six months ended June 30, 1997 and 1996. Consumption of electricity by residential customers was up 2% over the second quarter last year. As previously reported, a major Industrial customer curtailed its operations in the fall of 1996, and has informed the Company that it does not plan to be back to full operation before the end of the year. Lower kWh sales to this customer contributed to the decrease in Large Commercial /Industrial sales through the first six months of 1997. However, Large Commercial/ Industrial sales were boosted during the same period due to the success of the Company's new competitive initiatives, including Energy Bank, which added three new industrial customers in 1997.

In the second quarter of 1997, the Company completed the long-term financing, for $7.5 million, of its new corporate headquarters building in Hampton, New Hampshire.

Earnings per average common share for the twelve months ended June 30, 1997 and 1996 were $1.88 and $2.00 respectively. The decrease of $0.12 per share is primarily attributable to higher depreciation and interest expenses in the current period related to capitalized lease obligations and the Company's ongoing capital expenditure programs and the absence of the one-time gain and higher consulting income recorded in the prior period.

Energy Sales

	Three Months Ended		Six Months Ended	
KWH Sales (000's)	6/30/97	6/30/96	6/30/97	6/30/96
Residential	120,146	117,797	269,642	272,369
Commercial	89,779	90,103	188,832	190,114
Large Commercial / Industrial	136,566	155,848	268,599	298,811
Other Sales	2,748	2,807	5,692	5,806
Total KWH Sales	349,239	366,555	732,765	767,100
Firm Therm Sales (000's)				
Residential	3,040	2,937	8,806	9,505
Commercial	912	875	3,409	3,616
Large Commercial / Industrial	1,223	1,153	3,214	3,175
Total Firm Therm Sales	5,175	4,965	15,429	16,296

Operating Revenues ($000's)

	Three Months Ended		Six Months Ended	
	6/30/97	6/30/96	6/30/97	6/30/96
Base Electric Revenue	11,514	11,499	23,807	23,936
Fuel & Purchased Power	25,385	24,852	51,151	49,111
Total Electric Revenue	36,899	36,351	74,958	73,047
Base Gas Revenue	1,427	1,408	4,260	4,521
Cost of Gas	1,614	1,764	5,554	5,864
Interruptible Revenue	661	1,081	1,154	1,317
Total Gas Revenue	3,702	4,253	10,968	11,702
Other Revenue	13	7	21	30
Total Operating Revenue	40,614	40,611	85,947	84,779

RESTRUCTURING AND COMPETITION - ELECTRIC UTILITY INDUSTRY

Regulatory activity in both New Hampshire and Massachusetts continues to focus on deregulating the retail sale of electric energy. In both states, January 1, 1998 has been targeted as the beginning of competition, or "Choice Date." Under these restructuring proposals, customers would be allowed to choose their supplier of electricity from the competitive market, and have their local utility deliver that electricity over its distribution systems at regulated rates.

New Hampshire

On February 28, 1997, the New Hampshire Public Utilities Commission (NHPUC) issued its Final Plan for transition to a competitive electric market in New Hampshire. The order allowed Concord Electric Company (CECo) and Exeter & Hampton Electric Company (E&H), Unitil's New Hampshire based retail distribution utilities, to recover 100% of costs which will be "stranded" due to this restructuring. Due to an appeal by Northeast Utilities (NU), this Plan is under a temporary restraining order in Federal Court. On May 13, 1997, NU and the NHPUC agreed to mediation in an effort to resolve restructuring issues. As mediation progresses, the mediation period has been extended to September 2, 1997. Unitil, which has been granted intervenor status in the NU court actions, continues to participate actively in all proceedings which will define the details of the transition to competition and customer choice.

Unitil Resources, Inc., the Company's competitive market subsidiary, continues to participate in the New Hampshire Retail Competition Pilot Program, which began in June 1996.

Massachusetts

On February 26, 1997, the Massachusetts Department of Public Utilities (MDPU) approved a restructuring plan filed by the New England Electric System, Massachusetts Attorney General (Mass AG), the Massachusetts Division of Energy Resources and numerous other parties. Under this settlement, consumers will be allowed to choose an electricity supplier as early as January 1, 1998, and will receive a 10% reduction on their electric bills. The settlement requires the utility to divest all its generation plant, and provides the utility with the opportunity to fully recover all of its stranded costs. Two other settlement agreements have been reached in principle with the Mass AG and other Massachusetts electric utilities. The Company is currently developing a transition plan for its Massachusetts utility subsidiary and exploring the use of the settlement process to expedite its restructuring process. Each of the settlements reached are subject to restructuring legislation that may be enacted by the Massachusetts Legislature.

MILLSTONE UNIT NO. 3

Unitil's Massachusetts operating subsidiary, Fitchburg Gas and Electric Light Company (FG&E), has a 0.217% nonoperating ownership in the Millstone Unit No. 3 (Millstone 3) nuclear generating unit which supplies it with 2.49 megawatts (MW) of electric capacity. In January 1996 the Nuclear Regulatory Commission (NRC) placed Millstone 3 on its watch list as a Category 2 facility, which calls for increased NRC inspection attention. In March 1996 the NRC requested additional information about the operation of the unit from Northeast Utilities (NU) and affiliates, who operate the unit. As a result of an engineering evaluation completed by NU, Millstone 3 was taken out of service on March 30, 1996. The NRC later informed NU, in a letter dated June 28, 1996, that it had reclassified Millstone 3 as a Category 3 facility. The NRC assigns this rating to plants which it deems to have significant weaknesses that warrant maintaining the plant in shutdown condition until the operator demonstrates that adequate programs have been established and implemented to ensure substantial improvement in the operation of the plant. The NRC's letter also informed NU that this designation would require the NRC staff to obtain NRC approval by vote prior to a restart of the unit. The other Millstone nuclear units are also out of service and listed as Category 3 facilities.

In March 1997, NU announced that Millstone 3 has been designated as the lead unit in the recovery process for the Millstone units, and plans to have one unit ready for restart in the third quarter of 1997, and back on line by the end of 1997. In May 1997, NU announced that it has completed all work necessary to allow the Independent Corrective Action Verification Process (ICAVP) to begin. The ICAVP is the NRC's independent method of checking the quality and thoroughness of work to assure that the corrective action process is effective.

On August 7, 1997, FG&E in concert with other nonoperating owners of the Millstone 3 facility, filed in Massachusetts a lawsuit against Northeast

Utilities and its trustees and filed a demand for arbitration with the operating owners, Connecticut Light and Power and Massachusetts Electric Company. The arbitration and lawsuit seek to recover costs associated with replacement power and operation and maintenance costs resulting from the shutdown of Milllstone 3. FG&E continues to make all payments to NU for operation of the plant and in support of the restart effort. During the outage, FG&E has been incurring approximately $35,000 per month in replacement power costs.

CAPITAL REQUIREMENTS

Capital expenditures for the three months ended June 30, 1997 were approximately $5,900,000. This compares to $10,100,000 during the same period last year. Capital expenditures for the year 1997 are estimated to be approximately $13,300,000 as compared to $18,500,000 for 1996. This projection reflects capital expenditures for utility system expansions, replacements and other improvements.

LEGAL PROCEEDINGS

The Company is involved in legal and administrative proceedings and claims of various types which arise in the ordinary course of business. In the opinion of the Company's management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

MANAGEMENT

On May 18, 1997, following a sudden illness, Unitil Chairman and Chief Executive Officer Peter J. Stulgis passed away. Mr. Stulgis was a man of vision, insight, purpose and resolve. He dedicated these considerable qualities to the dynamic leadership of the Company, and we greatly regret his passing. As an interim measure, the Board of Directors has created an Office of the Chairman to carry out the management of the Company. Appointed to this newly created office are: Charles H. Tenney II, Interim Chief Executive Officer; Michael J. Dalton, President and Chief Operating Officer; and Gail A. Siart, Chief Financial Officer. In addition, the Board has authorized the Executive Committee to conduct a search to fill the vacancy created by the death of Mr. Stulgis.

PART I. EXHIBIT 11.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING
(UNAUDITED)

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

PRIMARY EARNINGS PER SHARE	Three Months Ended June 30, 1997	Three Months Ended June 30, 1996	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Net Income	$1,655	$1,597	$4,570	$4,793
Less: Dividend Requirement on Preferred Stock	69	67	138	138
Net Income Applicable to Common Stock	$1,586	$1,530	$4,432	$4,655
Average Number of Common Shares Outstanding	4,404,558	4,344,380	4,397,062	4,339,332
Earnings Per Common Share	$0.36	$0.35	$1.01	$1.07

FULLY-DILUTED EARNINGS PER SHARE	Three Months Ended June 30, 1997	Three Months Ended June 30, 1996	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Net Income	$1,655	$1,597	$4,570	$4,793
Less: Dividend Requirement on Preferred Stock	69	67	138	138
Net Income Applicable to Common Stock	$1,586	$1,530	$4,432	$4,655
Average Number of Common				

Shares Outstanding	4,515,672	4,454,049	4,508,176	4,453,385
Earnings Per Common Share	$0.35	$0.34	$0.98	$1.05

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith

(b) Reports on Form 8-K

During the quarter ended June 30, 1997, the Company did not file any reports on Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Unitil Corporation
(Registrant)

Date: August 13, 1997

Gail A. Siart
Gail A. Siart, Treasurer
and Chief Financial Officer

(Gail A. Siart is the Principal
Financial Officer and has been
duly authorized to sign on
behalf of the registrant.)

UT
1,000

DEC-31-1997
JAN-1-1997
JUN-30-1997
6-MOS
PER-BOOK
146,118
42
27,599
57,572
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231,331
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8,030
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3,066
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