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 September 30, 1999

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 November 1, 1999
Common Stock, No par value	4,706,140 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

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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 September 30, 1999	Three Months Ended September 30, 1998	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
Operating Revenues				
Electric	$39,818	$37,875	$115,053	$113,734
Gas	2,820	2,433	12,648	12,094
Other	100	7	145	22
Total Operating Revenues	42,738	40,315	127,846	125,850
Operating Expenses				
Fuel and Purchased Power	26,564	24,932	75,470	75,719
Gas Purchased for Resale	1,620	1,583	6,902	7,222
Operation and Maintenance	6,413	5,808	18,683	17,562
Depreciation and Amortization	2,598	2,609	8,447	7,510
Provisions for Taxes:				
Local Property and Other	1,389	1,362	4,214	4,199
Federal and State Income	762	624	2,785	2,513
Total Operating Expenses	39,346	36,918	116,501	114,725
Operating Income	3,392	3,397	11,345	11,125
Non-Operating Expense, Net	29	35	79	106
Income Before Interest Expense	3,363	3,362	11,266	11,019
Interest Expense, Net	1,654	1,645	5,215	5,202
Net Income	1,709	1,717	6,051	5,817
Less Dividends on Preferred Stock	66	68	201	206
Net Income Applicable to Common Stock	$1,643	$1,649	$5,850	$5,611
Average Common Shares Outstanding	4,703,069	4,508,648	4,673,318	4,494,580
Basic Earnings Per Share	$0.35	$0.37	$1.25	$1.25
Diluted Earnings Per Share	$0.35	$0.36	$1.25	$1.22
Dividends Declared per Share of Common Stock (Note 1)	$0.345	$0.34	$1.38	$1.36

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	(Unaudited) September 30, 1999	(Unaudited) September 30, 1998	(Audited) December 31, 1998
ASSETS			
Utility Plant			
Electric	$161,994	$172,371	$152,940
Gas	33,394	31,314	32,622
Common	21,890	20,655	20,876
Construction Work in Progress	2,338	5,096	3,024
Total Utility Plant	219,616	229,436	209,462
Less: Accumulated Depreciation	67,376	72,824	63,428
Net Utility Plant	152,240	156,612	146,034
Current Assets			
Cash	3,150	4,375	4,083
Accounts Receivable - Less Allowance for Doubtful Accounts of $519, $662 and $646	15,469	15,578	15,999
Materials and Supplies	2,829	3,453	2,962
Prepayments	667	534	1,147
Accrued Revenue	5,246	3,816	5,322
Total Current Assets	27,361	27,756	29,513

Noncurrent Assets			
Regulatory Assets	161,746	27,086	163,034
Prepaid Pension Costs	8,888	8,483	8,591
Debt Issuance Costs	1,367	1,308	1,320
Other Noncurrent Assets	23,668	20,296	27,287
Total Noncurrent Assets	195,669	57,173	200,232
TOTAL	$375,270	$241,541	$375,779

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	(Unaudited) September 30, 1999	1998	(Audited) December 31, 1998
CAPITALIZATION AND LIABILITIES			
Capitalization			
Common Stock Equity	$76,177	$72,320	$75,351
Preferred Stock, Non-Redeemable, Non-Cumulative	225	225	225
Preferred Stock, Redeemable, Cumulative	3,532	3,618	3,618
Long-Term Debt, Less Current Portion	85,015	74,152	74,047
Total Capitalization	164,949	150,315	153,241
Current Liabilities			
Long-Term Debt, Current Portion	1,187	1,175	1,175
Capitalized Leases, Current Portion	813	1,046	907
Accounts Payable	14,777	14,244	11,382
Short-Term Debt	2,500	12,575	20,000
Dividends Declared and Payable	1,838	1,803	232
Refundable Customer Deposits	1,248	1,346	1,293
Taxes (Refundable) Payable	(1,914)	402	(1,056)
Interest Payable	1,378	1,765	841
Other Current Liabilities	4,035	2,702	2,776
Total Current Liabilities	25,862	37,058	37,550
Deferred Income Taxes	43,255	41,729	43,027
Noncurrent Liabilities			
Power Supply Contract Obligations	128,651	---	128,651
Capitalized Leases, Less Current Portion	3,820	4,163	4,287
Other Noncurrent Liabilities	8,733	8,276	9,023
Total Noncurrent Liabilities	141,204	12,439	141,961
TOTAL	$375,270	$241,541	$375,779

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

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

	Nine Months Ended September 30, 1999	1998
Net Cash Flow from Operating Activities:		
Net Income	$6,051	$5,817
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	8,447	7,510
Deferred Tax Provisions	535	(42)
Amortization of Investment Tax Credit	(251)	(327)
Amortization of Debt Issuance Costs	45	46
Changes in Working Capital:		
Accounts Receivable	530	1,312
Materials and Supplies	133	(790)

Prepayments	183	(463)
Accrued Revenue	76	2,980
Accounts Payable	3,395	(490)
Refundable Customer Deposits	(45)	(841)
Taxes and Interest Payable	(321)	1,634
Other, Net	804	(1,043)
Net Cash Provided by Operating Activities	19,582	15,303
Net Cash Flows from Investing Activities:		
Acquisitions of Property, Plant and Equipment	(11,916)	(10,785)
Proceeds from Sale of Electric Generation Assets	5,288	---
Acquisition of Other Property and Investments	(3,271)	---
Net Cash Used in Investing Activities	(9,899)	(10,785)
Cash Flows from Financing Activities:		
Net Decrease in Short-Term Debt	(17,500)	(5,425)
Proceeds From Issuance of Long-Term Debt	12,000	20,000
Repayment of Long-Term Debt	(1,019)	(13,039)
Dividends Paid	(5,037)	(4,728)
Issuance of Common Stock	1,780	1,166
Retirement of Preferred Stock	(86)	(47)
Repayment of Capital Lease Obligations	(754)	(407)
Net Cash Flows Used In Financing Activities	(10,616)	(2,480)
Net (Decrease) Increase in Cash	(933)	2,038
Cash at Beginning of Year	4,083	2,337
Cash at September 30,	$3,150	$4,375
Supplemental Cash Flow Information:		
Cash Paid for:		
Interest	$5,153	$5,289
Federal Income Taxes	$3,133	$1,990
Non-Cash Financing Activities:		
Capital Leases Incurred	$193	$365

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

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

Note 1. Dividends:

Four regular quarterly common stock dividends were declared during the nine month periods ended September 30, 1999 and 1998.

On September 23, 1999, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.345 per share which is payable on November 15, 1999 to shareholders of record as of November 1, 1999.

On June 24, 1999, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.345 per share which was payable on August 13, 1999 to shareholders of record as of July 30, 1999.

On March 18, 1999, the Company's Board of Directors declared its regular quarterly dividend on the Company's Common Stock of $0.345 per share which was payable on May 14, 1999 to shareholders of record as of April 30, 1999.

On January 19, 1999 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 $0.345 per share was payable February 15, 1999 to shareholders of record as of February 1, 1999.

Note 2. Common Stock:

During the third quarter of 1999, the Company sold 6,764 shares of Common Stock, at an average price of $23.40 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan. Net proceeds of $158,255 were used to reduce short-term borrowings.

Note 3. Preferred Stock:

Details on preferred stock at September 30, 1999, September 30, 1998 and December 31, 1998 are shown below:

(Amounts in Thousands)

	(Unaudited) September 30, 1999	1998	(Audited) December 31, 1998
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	333	344	344
8.25% Dividend Series	385	395	395
5.125% Dividend Series	987	998	998
8% Dividend Series	1,353	1,407	1,407
Total Redeemable Preferred Stock	3,532	3,618	3,618
Total Preferred Stock	$3,757	$3,843	$3,843

Note 4. Long-term Debt:

Details on long-term debt at September 30, 1999, September 30, 1998 and December 31, 1998 are shown below:
(Amounts in Thousands)

	(Unaudited) September 30, 1999	1998	(Audited) December 31, 1998
Concord Electric Company:			
First Mortgage Bonds:			
Series I, 8.49%, due October 14, 2024	6,000	6,000	6,000
Series J, 6.96%, due September 1, 2028	10,000	10,000	10,000
Exeter & Hampton Electric Company:			
First Mortgage Bonds:			
Series K, 8.49%, due October 14, 2024	9,000	9,000	9,000
Series L, 6.96%, due September 1, 2028	10,000	10,000	10,000
Fitchburg Gas and Electric Light Company:			
Promissory Notes:			
8.55% Notes due March 31, 2004	13,000	14,000	14,000
6.75% Notes due November 30, 2023	19,000	19,000	19,000
7.37% Notes due January 15, 2028	12,000	---	--
Unitil Realty Corp.			
Senior Secured Notes:			
8.00% Notes Due August 1, 2017	7,202	7,327	7,222
Total	86,202	75,327	75,222
Less: Installments due within one year	1,187	1,175	1,175
Total Long-term Debt	$85,015	$74,152	$74,047

Note 5.

Contingencies:

The Company is currently undergoing an audit of the 1992 and 1993 Federal income tax returns by the Internal Revenue Service (IRS). Although the IRS has not completed its examination of these returns, it has proposed adjustments relating to the timing of tax deductions taken by Unitil in those years. The Company strongly disagrees with the IRS' position and will vigorously contest it. If the IRS prevails with its position, the Company may be required to pay additional taxes and interest. However, those taxes will be recovered in future years. Although the outcome cannot be predicted with certainty, the Company's management does not expect it to have a material adverse impact on the Company's results of operations.

Note 6.

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 September 30, 1999 and 1998; and results of operations for the three and nine months ended September 30, 1999 and 1998; and consolidated statements of cash flows for the nine months ended September 30, 1999 and 1998. Reclassifications of amounts are made periodically to previously issued financial statements to conform with the current year presentation.

The results of operations for the nine months ended September 30, 1999 and 1998 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

Net income for the third quarter of 1999 was $1.6 million, which was on par with net income for the third quarter of 1998. However, basic earnings per average common share decreased $0.02 from the third quarter of 1998 to $0.35, as there were 4.7 million average common shares outstanding in 1999, compared to only 4.5 million average common shares in 1998. The increased shares outstanding is the result of the issuance of shares to the Company's Dividend Reinvestment, Stock Purchase and Stock Option plans over the last twelve months. The dilutive effect of these plans on earnings per share will decline, as the Company moves to open market purchases to meet its share issuance obligations. Basic earnings per average common share were $1.25 for both the nine months ended September 30 in both 1999 and 1998, on net income of $5.8 million in 1999 and $5.6 million in 1998.

Third quarter Total Operating Revenues grew by 6.0%, from $40.3 million to $42.7 million in 1999 compared to the same period last year. Higher electric revenues were driven by unusually hot summer weather during the quarter and the continuing beneficial effects of the strong regional economy. In the Company's utility service territories, average cooling degree days were well above normal during the third quarter. These high summer season revenues helped offset lower revenues in the first quarter, reflecting the unseasonably mild winter weather. On a year-to-date basis, Total Operating Revenues were $127.8 million in the first nine months of 1999, compared to $125.8 million in the first nine months of 1998.

Total electric KWH sales volume improved 1.7% in the third quarter and 4.0% on a year-to-date basis in 1999, compared to 1998. Residential KWH sales were 7.4% higher in the third quarter of 1999 due to the hot summer weather. Sales to commercial and industrial customers were down 1.2% compared to last year, because a major customer filed bankruptcy and curtailed operations in the second quarter of 1999. Gas firm therm sales, which suffered during the mild winter, were lower in the third quarter of 1999 compared to 1998, but are about even with last year on a year-to-date basis. Through nine months, gas sales to commercial and industrial customers are up 6.1% over 1998, while gas sales to residential customers are down 5.5%.

The increase in Electric Revenues in the third quarter of 1999 of 5.1% was due to increased KWH sales and an increase in energy supply prices, which are passed through to customers. Similarly, the 29.9% increase in Firm Gas Revenues reflects higher rates for distribution service, and higher gas supply costs which are also passed through to customers.

In addition to electric and gas supply costs, Operation and Maintenance (O&M) expenses increased $0.6 million in the third quarter over the prior year. Contributing to the increase in O&M costs were other charges that are flowed through to customers via rate recovery mechanisms, including Conservation and Load Management programs, as well as costs of customer information, metering and billing systems and administrative systems needed to implement electric and gas utility industry restructuring. Higher income tax expense compared to last year reflects higher effective income tax rates.

The third quarter of 1999 was the first full quarter of operations for Usource, Unitil's Internet-based energy brokering business. As previously reported, in March 1999, Unitil acquired a minority interest in Enermetrix.com (formerly known as North American Power Brokers, Inc.), through the purchase of Preferred Stock and Common Stock Warrants for approximately $3.0 million in cash. In November 1999, the Company invested an additional $1.0 million in Enermetrix.com through the purchase of preferred stock. Also, Unitil Resources, Inc. (URI) purchased the New York customer list of Enermetrix.com and now offers retail energy consumers the price benefits of competitive energy supplier bidding, without URI or its customers undertaking the financial risk of commodity ownership. The Company has recorded Usource brokerage fee income, primarily on gas commodity sales to customers in New York, of approximately $20,000 for the nine months ended September 30, 1999.

The Company's Balance Sheet continues to reflect the recording at December 31, 1998, of significant Regulatory Assets, estimated at $140 million, related to electric utility industry restructuring in Massachusetts.

Sales and Revenues (000's)

	Three Months Ended			Nine Months Ended		
KWH Sales	9/30/99	9/30/98	Change	9/30/99	9/30/98	Change
Residential	150,755	140,336	7.4%	429,892	412,159	4.3%
Commercial/Industrial	275,382	278,717	(1.2)%	788,639	759,355	3.9%
Total KWH Sales	426,137	419,053	1.7%	1,218,531	1,171,514	4.0%
Electric Revenue						
Residential	$14,837	$14,004	5.9%	$43,398	$43,658	(0.6)%
Commercial/Industrial	24,981	23,871	4.6%	71,655	70,076	2.3%
Total Electric Revenue	$39,818	$37,875	5.1%	$115,053	$113,734	1.2%
Firm Therm Sales						
Residential	796	923	(13.8)%	8,425	8,912	(5.5)%
Commercial/Industrial	1,168	1,143	2.2%	8,088	7,625	6.1%
Total Firm Therm Sales	1,964	2,066	(4.9)%	16,513	16,537	(0.1)%
Gas Revenue						
Residential	$1,132	$ 984	15.0%	$6,063	$6,246	(2.9)%
Commercial/Industrial	1,142	767	48.9%	4,987	4,287	16.3%
Total Firm Gas Revenue	2,274	1,751	29.9%	11,050	10,533	4.9%
Interruptible Gas Revenue	546	682	(19.9)%	1,598	1,561	2.4%
Total Gas Revenues	$2,820	$2,433	15.9%	$12,648	$12,094,	4.6%

RESTRUCTURING AND COMPETITION

Regulatory activity surrounding restructuring and competition continues in both Massachusetts and New Hampshire. March 1, 1998 was "Choice Date" or the beginning of competition for all electric consumers in Massachusetts, while New Hampshire's "Choice Date" slipped past the legislature's mandated date of July 1, 1998 and is currently the subject of a federal court injunction (see below).

Massachusetts gas industry restructuring plans continue to be under development. The Massachusetts Department of Telecommunications and Energy (MDTE), gas utilities and other stakeholders began a collaborative effort in late 1997 to develop solutions to the many issues that surround restructuring the local natural gas distribution business.

Unitil has been preparing for electric and gas industry restructuring by developing transition plans that will move its utility subsidiaries into this new market structure in a way that will ensure fairness in the treatment of the Company's assets and obligations that are dedicated to the current regulated franchises and, at the same time, provide choice for all customers.

Massachusetts (Electric)- On January 15, 1999, the MDTE gave final approval to Fitchburg Gas and Electric Light Company's (FG&E) restructuring plan with certain modifications. The Plan provides customers with: a) a choice of energy supplier; b) an option to purchase Standard Offer Service (i.e. state-mandated energy service) provided by FG&E at regulated rates for up to seven years; and c) a cumulative 15% rate reduction. The Plan also provides for FG&E to divest generation assets and its portfolio of purchased power contracts. The Company will be afforded full recovery of any transition costs through a non-bypassable retail Transition Charge.

Pursuant to the Plan, on October 30, 1998, FG&E filed with the MDTE a proposed contract with Constellation Power Services Inc. for provision of Standard Offer Service. The MDTE's January 15, 1999 Order approves the FG&E/Constellation contract, and service thereunder commenced on March 1, 1999, and is scheduled to continue through February 28, 2005. This contract is the result of the first successful Standard Offer auction conducted in Massachusetts.

The January 15 Order also approved FG&E's power supply divestiture plan for its interest in three generating units and four long-term power supply contracts. A contract for the sale of FG&E's interest in the New Haven Harbor plant was filed with the MDTE on November 20, 1998. The MDTE approved the contract on March 31, 1999 and the deal closed on April 14, 1999. A contract for the sale of the entire output from FG&E's remaining generating assets and purchased power contracts was filed with the MDTE on June 11, 1999. MDTE approval is pending. Also as a result of the Order, the Company accelerated the write off of certain electric assets - including the Company's abandoned investment in Seabrook Station.

FG&E filed a 1.3% electric rate decrease effective September 1, 1999 with the MDTE. This rate decrease was provided for by the 1997 Massachusetts Electric Restructuring Act, and includes both a restructuring related rate reduction and an inflation adjustment. The Act mandated a 10% rate reduction in March 1998, to be followed by an additional 5% rate reduction by September 1, 1999, when most utilities will have completed the divestiture of their power supply resources. The filing completes FG&E's compliance with this requirement by reducing electric rates 5%. The rate decrease reflects FG&E's divestiture of its generation assets and purchased power portfolio. The second element of this rate filing is an upward adjustment for inflation over the last two years. On average, taking both factors into account, FG&E customers will see a 1.3% decrease from current rates.

As a result of restructuring and divestiture of FG&E's generation and purchased power portfolio, FG&E has accelerated the write-off of its electric generation assets. The MDTE Order fixed the return to be earned on the unamortized balance of this portfolio. The new fixed return reduced FG&E's earnings from its generation assets. As this portfolio amortizes over the next 10 years, earnings from this segment of FG&E's utility business will continue to decline and ultimately cease. Currently, Unitil's earnings from this business segment represented approximately 10% of total earnings.

On October 29, 1999, the MDTE initiated a proceeding designed to result in the eventual implementation of Performance Based Ratemaking (PBR) for all electric and gas distribution utilities in Massachusetts. PBR is a method of setting regulated distribution rates that provide incentives for utilities to control costs while maintaining a high level of service quality. This proceeding is expected to take several months to be completed. The Company is currently evaluating the impact, if any, this decision would have on the Company's ability to continue applying the standards of Statement of Financial Accounting Standards No.71 "Accounting for the Effects of Certain Types of Regulation."

Massachusetts (Gas) -In mid-1997, the MDTE directed all Massachusetts natural gas Local Distribution Companies (LDCs) to form a collaborative with other stakeholders to develop common principles and appropriate regulations for the unbundling of gas service, and directed FG&E and four other LDCs to file unbundled gas rates for its review. FG&E's unbundled gas rates were approved by the MDTE and implemented in November 1998.

On February 1, 1999, the MDTE issued an order in which it determined that the LDCs would continue to have an obligation to provide gas supply and delivery services for another five years, with a review after three years. That order also set forth the MDTE's decision regarding release by LDCs of their pipeline capacity contracts to competitive marketers. On March 24, 1999 the LDCs and other stakeholders filed a settlement with the MDTE which set forth rules for implementing an interim firm transportation service through October 31, 2000. The interim service will ultimately be superseded by the permanent transportation service, beginning as early as November 1, 1999. The MDTE approved the settlement on April 2, 1999. On May 17, 1999, FG&E made a compliance filing with the MDTE to implement the interim firm gas transportation service for its largest general service customers effective June 1, 1999. On May 28, 1999, the MDTE approved FG&E's Interim Firm Transportation filing. On June 11, 1999, FG&E filed a Firm Gas Peaking Service with the MDTE to complement the Interim Firm Transportation Service. The MDTE approved that filing on September 8, 1999. On October 18, 1999, FG&E filed amendments to its Firm Transportation tariffs to extend the sign-up period to March 31, 2000. MDTE approval was granted on October 29, 1999. FG&E continues to work with the other Massachusetts LDCs and various stakeholders to develop and implement the infrastructure to complete the restructuring of gas service for all customers in Massachusetts.

As mentioned in the "Massachusetts (Electric)" section, on October 29, 1999, the MDTE initiated a proceeding designed to result in the eventual implementation of Performance Based Ratemaking for all electric and gas distribution utilities in Massachusetts. This proceeding is expected to take several months to be completed. The Company is currently evaluating the impact, if any, this decision would have on the Company's ability to continue applying the standards of Statement of Financial Accounting Standards No.71 "Accounting for the Effects of Certain Types of Regulation."

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 and Exeter & Hampton Electric Company, Unitil's New Hampshire retail distribution utilities, to recover 100% of "stranded" costs for a two-year period, but excluded recovery of certain administrative-related charges.

Northeast Utilities' affiliate, Public Service Company of New Hampshire (PSNH), appealed the NHPUC order in Federal District Court. A temporary restraining order was issued on March 10, 1997. In June 1997, Unitil was admitted as a Plaintiff Intervenor in the Federal Court proceeding. On June 9, 1998, the Federal Court issued an injunction continuing the freeze on NHPUC efforts to implement restructuring. Various interlocutory appeals and pretrial disputes have delayed this proceeding and no date has been scheduled for a trial. At a preliminary hearing on April 7, 1999, the Judge reiterated the continuing injunction against implementation by the NHPUC. In October, 1999, the Judge held a hearing on Motions for Summary Disposition and objections thereto which had been filed by the Company, by Connecticut Valley Electric, another Plaintiff Intervenor, and the State of New Hampshire. The Company argued that the 1997 NHPUC order is a flagrant violation of established law and should be overturned. A ruling in expected in the near future.

In September 1998, the Company reached a comprehensive restructuring settlement with key parties and filed this voluntary Agreement with the NHPUC. The Agreement was modified on October 20, 1998. In oral deliberations on November 2 and November 18, 1998, the NHPUC imposed conditions to approval of the Settlement which were unacceptable to the Company, and the Settlement was subsequently withdrawn. The component of the Agreement dealing with wholesale rates was filed with the Federal Energy Regulatory Commission ("FERC") in September 1998, and approved by the FERC in early November. However, implementation will not occur, as the changes were conditioned upon approval by the NHPUC. Unitil has continued to work actively to explore additional settlement opportunities. In June 1999, the Governor of New Hampshire announced a Memorandum of Understanding (MOU) with PSNH intended to lead to a comprehensive settlement of all restructuring issues for PSNH. A settlement between PSNH and the State of New Hampshire was subsequently filed with the NHPUC on August 2, 1999 for review and approval. An extensive proceeding on this settlement proposal is now underway before the NHPUC.

Rate Cases -The last formal regulatory hearings to increase base electric rates for Unitil's three retail operating subsidiaries occurred in 1985 for Concord Electric Company, 1984 for Fitchburg Gas and Electric Light Company and 1981 for Exeter & Hampton Electric Company.

On May 15, 1998, FG&E filed a gas base rate case with the MDTE. After evidentiary hearings, the MDTE issued an Order allowing FG&E to establish new rates, effective November 30, 1998, that would produce an annual increase of approximately $1.0 million in gas revenues. However, as part of the proceeding, the Attorney General of the Commonwealth of Massachusetts alleged that FG&E had double-collected fuel inventory finance charges, since 1987, and requested that the MDTE require FG&E to refund approximately $1.6 million to its customers. The Company believes that the Attorney General's claim is without merit and that a refund is not justified or warranted. The MDTE stated its intent to open a separate proceeding to investigate the Attorney General's claim, and on November 1, 1999, the MDTE issued an Order of Notice initiating an investigation. In its Gas Rate Case Order, the MDTE also required that FG&E file a Performance Based Ratemaking (PBR) proposal for its gas division by November 30, 1999. However, in the PBR Order of October 29, 1999, the MDTE has rescinded this requirement and indicated that FG&E would be required to file a Gas PBR within three months of the final PBR orders of the MDTE.

A majority of the Company's operating revenues are collected under various periodic rate adjustment mechanisms including fuel, purchased power, cost of gas and energy efficiency program cost recovery mechanisms. Restructuring will continue to change the methods of how certain costs are recovered from customers and from suppliers. Transition costs, Standard Offer Service and Default Service power supply costs, internal and external transmission service costs and energy efficiency and renewable energy program costs for FG&E are being recovered via fully reconciling rate adjustment mechanisms in Massachusetts.

MILLSTONE UNIT NO. 3- 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. Due to various operating problems and NRC oversight, Millstone 3 was out of service from March 30, 1996 until early July, 1998.

During the period that Millstone 3 was out of service, FG&E continued to incur its proportionate share of the unit's ongoing Operations and Maintenance (O&M) costs, and may incur additional O&M costs and capital expenditures to meet NRC requirements. FG&E also incurred costs to replace the power that was expected to be generated by the unit. During the outage, FG&E had been incurring approximately $35,000 per month in replacement power costs, and had been recovering those costs through its fuel adjustment clause, which will be subject to review and approval by the MDTE.

In August 1997, FG&E, in concert with other non-operating joint owners, filed a demand for arbitration in Connecticut and a lawsuit in Massachusetts, in an effort to recover costs associated with the extended unplanned shutdown. Several preliminary rulings have been issued in the arbitration and legal cases and both cases are continuing. Nonoperating owners representing 16% of Millstone 3 ownership have settled their claims with Northeast Utilities while nonoperating owners, including FG&E, representing 15% of Millstone 3 continue to pursue the arbitration and legal cases.

INVESTING ACTIVITIES

Capital expenditures for the nine months ended September 30, 1999 were approximately $11.9 million. This compares to $10.8 million during the same period last year. Capital expenditures for the year 1999 are estimated to be approximately $15.4 million as compared to $14.5 million for 1998. This projection reflects capital expenditures for utility system expansions, replacements and other improvements.

In March 1999, Unitil acquired a minority interest in Enermetrix.com (formerly known as North American Power Brokers, Inc.), through the purchase of Preferred Stock and Common Stock Warrants for approximately $3.0 million in cash. In November, 1999 Unitil invested an additional $1.0 million in Enermetrix.com through the purchase of preferred stock. Also, Unitil Resources, Inc. (URI) purchased Enermetrix.com's New York customer list and now, under the name "Usource", offers retail energy consumers the price benefits of competitive energy supplier bidding, without URI or its customers undertaking the financial risk of commodity ownership.

LEGAL PROCEEDINGS

The Company is involved in legal, regulatory 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 adverse impact on the Company's financial position.

YEAR 2000 COMPLIANCE ISSUES

The Company recognizes the need to ensure its operations are not adversely affected by software or device failures related to the Year 2000 date recognition problem, ("Y2K Issues"). Specifically, Y2K Issues would arise when software applications, or devices with embedded chips, fail to correctly recognize and process the year 2000 and beyond. Certain software applications and devices are certified to recognize and process date references to the year 2000 and beyond and they are deemed to be Year 2000 compliant, ("Year 2000 Compliance"). Potential software failures could create incorrect calculations, among other errors, and they present a risk to the integrity of our Company's financial systems and the reliability of our operating systems. In order to minimize the risk of disruption to our business operations, the Company is taking the actions described below, including communicating with suppliers, dealers, financial institutions and others with which it does business, to coordinate the identification, evaluation, remediation and testing of possible Y2K Issues which may affect the Company.

The Company has established a centralized task force to identify and implement necessary changes to the Company's internal computer systems, controlling hardware devices and software applications in order to achieve Year 2000 Compliance for those systems. The remediation of Y2K Issues and testing of all critical components of the Company's internal systems was completed on June 30, 1999.

The Company has also established processes for evaluating and managing the risks and possible costs associated with Y2K Issues which may exist in systems external to the Company's operations, but could affect the Company's operations indirectly. The Company has already directed efforts to notify our critical vendors and suppliers about Y2K Issues which may affect our operations, and most are already providing important information about the Year 2000 readiness of their organizations. Testing of certain critical systems has been completed, in conjunction with our key suppliers and vendors, and the Company has developed contingency plans for circumstances where assurance of Year 2000 Compliance cannot be obtained or where we believe the greatest Y2K susceptibility exists.

The Company currently estimates it will invest in the range of $250,000 to $350,000 plus internal costs, over the cost of normal software upgrades and replacements to achieve Year 2000 Compliance. These additional capital outlays include costs to replace certain devices and software, and the costs for consultants to assist us with software programming and testing.

Unitil relies on the proper operation of a regional network of systems and devices to transport and distribute electricity and gas to its customers. Any disruption in those systems caused by Y2K Issues could interrupt the reliable delivery of electric and gas service through our Distribution Operating Companies. Some of these software systems and devices belong to other companies and are beyond the control of Unitil to ensure that they are properly remediated for Year 2000. However, several agencies, including the Department of Energy, The New England ISO, and The National Electricity Reliability Council, have active Year 2000 programs in place. These programs will ensure that member companies are actively and comprehensively dealing with any Year 2000 Issues in their supply, generation, transportation and distribution facilities and systems. Unitil participates in these groups and currently believes that satisfactory progress is being made and will continue to be made to ensure a reliable supply and delivery of energy. Furthermore, these groups have established contingency plans to cover delivery difficulties during key Year 2000 dates. The Company also plans to work with local, state and regional agencies and other utility companies to ensure that appropriate contingency plans are in place for energy supply and delivery systems which could be affected by Year 2000 difficulties.

In addition, while the Company currently believes that its own mission-critical systems are Year 2000 Compliant, it cannot guarantee the compliance of other systems operated by other companies upon which it depends. For example, the Company's ability to provide electricity to its customers depends upon the regional electric transmission grid which connects the systems of neighboring utilities to provide electric power for the region. If one company's system is not Year 2000 Compliant, then a failure could impact all providers within the grid, including Unitil. Similarly, the Company's gas operations depend upon natural gas pipelines that it does not own or control, and any Year 2000 noncompliance associated with these pipelines may affect the Company's ability to provide natural gas to its customers. Failure to achieve Year 2000 readiness could have a material effect on the Company's results of operations, financial position and cash flows.

FORWARD-LOOKING INFORMATION

This report 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.

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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
BASIC EARNINGS PER SHARE	1999	1998	1999	1998
Net Income	$1,709	$1,717	$6,051	$5,817
Less: Dividend Requirement on Preferred Stock	66	68	201	206
Net Income Applicable to Common Stock	$1,643	$1,649	$5,850	$5,611
Average Number of Common Shares Outstanding	4,703,069	4,508,648	4,673,318	4,494,580
Basic Earnings Per Common Share	$0.35	$0.37	$1.25	$1.25

	Three Months Ended September 30,		Nine Months Ended September 30,	
DILUTED EARNINGS PER SHARE	1999	1998	1999	1998

Net Income	$1,709	$1,717	$6,051	$5,817
Less: Dividend Requirement on Preferred Stock	66	68	201	206
Net Income Applicable to Common Stock	$1,643	$1,649	$5,850	$5,611
Average Number of Common Shares Outstanding	4,713,767	4,620,994	4,682,920	4,610,155
Diluted Earnings Per Common Share	$0.35	$0.35	$1.25	$1.22

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 September 30, 1999, 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: November 10, 1999 /s/ Anthony J. Baratta, Jr.
Anthony J. Baratta, Jr.
Chief Financial Officer

Date: November 10,1999 /s/ Mark H. Collin
Mark H. Collin
Treasurer

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: November 10, 1999 /s/ Anthony J. Baratta, Jr.
Anthony J. Baratta, Jr.
Chief Financial Officer

Date: November 10,1999 /s/ Mark H. Collin
Mark H. Collin
Treasurer