

FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS  
THE UNITIL CORPORATION  
TAX DEFERRED  
SAVINGS AND INVESTMENT PLAN  
December 31, 1999, 1998 and 1997  
Report of Independent Certified Public Accountants

Administrator of  
The UNITIL Corporation Tax Deferred  
Savings and Investment Plan

We have audited the accompanying statements of net assets available for benefits of The UNITIL Corporation Tax Deferred Savings and Investment Plan (the "Plan") as of December 31, 1999 and 1998, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Plan'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 net assets available for benefits of The UNITIL Corporation Tax Deferred Savings and Investment Plan as of December 31, 1999 and 1998, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 1999, in conformity with generally accepted accounting principles.

GRANT THORNTON LLP

Boston, Massachusetts  
June 9, 2000

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 1999 (in dollars)

	UNITIL Corporation Stock Fund	Loan Fund	Putnam Growth & Income	Putnam Stable Value Fund	Putnam Voyager Fund	Putnam Income Fund	Putnam New Opportunity Fund	S&P 500	Putnam Inter- national Growth Fund	George Putnam Fund of Boston	Inter- national Voyager Fund	Total
Participant Loan Receivable		526,954										526,954
Investment at market value			3,182,499	2,924,252	9,090,933	279,664	3,230,404	1,288,537	1,063,755	34,879	350,279	21,445,202
Employer securities (UNITIL common stock at market value)	4,604,611											4,604,611
Net assets available for benefits	4,604,611	526,954	3,182,499	2,924,252	9,090,933	279,664	3,230,404	1,288,537	1,063,755	34,879	350,279	26,576,767

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 1998 (in dollars)

UNITIL Corporation	Putnam	Putnam Stable	Putnam	Putnam	Putnam New	Putnam Inter- national
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	Stock Fund	Loan Fund	Growth & Income	Value Fund	Voyager Fund	Income Fund	Opportunity Fund	S&P 500	Growth Fund	Total
Participant Loan Receivable		519,634								519,634
Investments at market value			3,372,521	2,691,166	6,095,519	279,913	1,640,789	965,459	597,051	15,642,418
Employer securities (UNITIL common stock at market value)	3,153,429									3,153,429
Net assets available for benefits	3,153,429	519,634	3,372,521	2,691,166	6,095,519	279,913	1,640,789	965,459	597,051	19,315,481

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 1999 (in dollars)

	UNITIL Corporation Stock Fund	Loan Fund	Putnam Growth & Income	Putnam Stable Value Fund	Putnam Voyager Fund	Putnam Income Fund	Putnam New Opportunity Fund	S&P 500	International Growth Fund	George Putnam Fund of Boston	Putnam International Voyager Fund	Pending Account	Total
Additions to net assets attributed to:													
Investment income													
Interest		45,973											45,973
Dividends	174,253		324,391	162,781	793,503	17,563	246,447		37,820	2,909	16,527		1,776,194
Other receipts	11,033		25,243	18,371	26,958		14,249	1,036	3,450				5,694
Net appreciation	1,298,371		(278,802)		2,442,805	(23,335)	1,127,539	218,581	345,466	(4,748)	99,875		5,225,752
	1,483,657	45,973	70,832	181,152	3,263,266	(5,772)	1,388,235	219,617	386,736	(1,839)	116,402	5,694	7,148,259
Contributions:													
Participant	153,398		177,566	59,363	297,141	37,501	264,427	98,437	96,822	1,047	7,576		1,193,278
Employer	57,623		58,336	23,587	103,055	13,808	84,989	33,507	29,637	199	1,736		406,477
Rollover	4,888		7,600	17,471	26,583	2,337	8,143	26,346	5,227				98,595
	215,909		243,502	100,421	426,779	53,646	357,559	158,290	131,686	1,246	9,312		1,698,350
Total additions	1,699,566	45,973	314,334	281,573	3,690,045	47,874	1,745,794	377,907	518,422	(593)	125,714	5,694	8,852,609
Deductions:													
Deductions from net assets attributed to:													
Benefits to participants (203,200)			(171,923)	(471,864)	(439,415)	(27,389)	(97,321)	(30,841)	(34,961)				(1,476,914)
Loan distributions		(6,639)											(6,639)
Other/forfeitures (11,083)			(25,524)	(17,056)	(27,511)		(15,800)	(1,036)	(3,760)			(5,694)	(101,770)
Total deductions	(214,283)	(6,639)	(197,447)	(488,920)	(466,926)	(27,389)	(113,121)	(31,877)	(38,721)			(5,694)	(1,585,323)
Net Increase (decrease) prior to interfund transfers													
	1,485,284	39,334	116,887	(207,347)	3,223,119	20,485	1,632,673	346,030	479,701	(593)	125,714		7,261,286
Interfund transfers													
	(34,101)	(32,014)	(306,909)	440,433	(227,705)	(20,734)	(43,058)	(22,952)	(12,997)	35,472	224,565		
Net increase (decrease)	1,451,182	7,320	(190,022)	233,086	2,995,414	(249)	1,589,615	323,078	466,704	34,879	350,279		7,261,286
Beginning balance	3,153,429	519,634	3,372,521	2,691,166	6,095,519	279,913	1,640,789	965,459	597,051				19,315,481
Ending													

balance 4,604,611 526,954 3,182,499 2,924,252 9,090,933 279,664 3,230,404 1,288,537 1,063,755 34,879 350,279\$ 26,576,767

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 1998

	UNITIL Corporation Stock Fund	Loan Fund	Putnam Growth & Income	Putnam Stable Value Fund	Putnam Voyager Fund
<b>Assets</b>					
Additions to net assets attributed to:					
Investment income					
Interest	-	\$43,495	-	-	-
Dividends	164,029	-	\$300,125	150,048	406,027
Other Receipts	123,298	-	-	116,106	49,534
Net appreciation (depreciation) in full value of investments					
	162,559	-	177,037	480	766,564
	449,886	43,495	477,162	266,634	1,222,125
<b>Contributions:</b>					
Participants	141,055	-	157,677	51,903	290,924
Employers'	53,677	-	52,496	22,401	99,552
Rollovers	19,855	-	32,765	20,973	42,123
	214,587	-	242,938	95,277	432,599
<b>Total Additions</b>	<b>644,473</b>	<b>43,495</b>	<b>720,100</b>	<b>361,911</b>	<b>1,654,724</b>
<b>Deductions:</b>					
Deductions from net assets attributed to:					
Benefits to participants					
	(205,520)	-	(659,713)	(370,191)	(257,851)
Loan distributions	-	(9,413)	-	-	-
Other/forfeitures	(124,030)	-	(376)	(125,652)	(50,851)
<b>Total deductions</b>	<b>(329,550)</b>	<b>(9,413)</b>	<b>(660,089)</b>	<b>(495,843)</b>	<b>(308,702)</b>
<b>Net Increase (decrease) prior to interfund transfers</b>					
	334,923	34,082	60,011	(133,932)	1,346,022
<b>Interfund transfers</b>	<b>(143,247)</b>	<b>782</b>	<b>(208,379)</b>	<b>388,778</b>	<b>(43,795)</b>
<b>Net (Decrease) Increase</b>	<b>191,676</b>	<b>34,864</b>	<b>(148,368)</b>	<b>254,846</b>	<b>1,302,227</b>
<b>Net assets available for benefits:</b>					
Net assets available, beginning of year					
	2,961,753	484,770	3,520,889	2,436,320	4,793,292
Net assets available, end of year					
	\$3,153,429	\$519,634	\$3,372,521	\$2,691,166	\$6,095,519

	Putnam Income Fund	Putnam New Opportunity Fund	Putnam S & P 500	Putnam International Growth Fund	Total
<b>Assets</b>					
Additions to net assets attributed to:					
Investment income					
Interest	-	-	-	-	43,495
Dividends	\$ 18,425	62,779	-	17,510	1,118,943
Other Receipts	-	-	-	-	288,938
Net appreciation (depreciation) in fair value of investments					
	(9,501)	269,944	180,927	69,154	1,617,164

	8,924	332,723	180,927	86,664	3,068,540
Contributions:					
Participants	37,987	273,985	80,293	101,015	1,134,839
Employers'	13,265	90,451	26,043	29,698	387,583
Rollovers	2,471	23,935	10,427	6,382	158,931
	53,723	388,371	116,763	137,095	1,681,353
Total Additions	62,647	721,094	297,690	223,759	4,749,893
Deductions:					
Deductions from net assets attributed to:					
Benefits to participants	(61,606)	(170,391)	(34,429)	(20,644)	(1,780,345)
Loan distributions	-	-	-	-	(9,413)
Other/forfeitures	(205)	(2,063)	(127)	(430)	(303,734)
Total deductions	(61,811)	(172,454)	(34,556)	(21,074)	2,093,492
Net Increase (decrease) prior to interfund transfers					
Interfund transfers	836	548,640	263,134	202,685	2,656,401
	18,276	(119,775)	153,471	(46,111)	-
Net (Decrease) Increase	19,112	428,865	416,605	156,574	2,656,401
Net assets available for benefits:					
Net assets available, beginning of year					
	260,801	1,211,924	548,854	440,477	16,659,080
Net assets available, end of year					
	\$279,913	\$1,640,789	\$965,459	\$597,051	\$19,315,481

The accompanying notes are an integral part of this statement.

#### The UNITIL Corporation Tax Deferred Savings and Investment Plan

#### STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 1997

	UNITIL Corporation Stock Fund	Loan Fund	Putnam Growth & Income	Putnam Stable Value Fund	Putnam Voyager Fund
Additions to net assets attributed to:					
Investment income					
Interest	\$ 1,868	\$43,301	-	-	\$ 38
Dividends	173,232	-	\$445,715	151,356	286,001
Other Receipts	286	-	383	13,010	317
Net appreciation (depreciation) in fair value of investments					
	554,675	-	155,195	-	691,115
	730,061	43,301	601,293	164,366	977,471
Contributions:					
Participants	148,292	-	135,199	55,201	278,585
Employers'	58,668	-	47,997	25,045	99,119
Rollovers	5,185	-	19,680	3,137	15,692
	212,145	-	202,876	83,383	393,396
Total Additions	942,206	43,301	804,169	247,749	1,370,867
Deductions:					
Deductions from net assets attributed to:					
Benefits to participants	(149,037)	-	(52,101)	(31,643)	(235,343)
Loan distributions	-	(24,512)	-	-	-
Other/forfeitures	(2,729)	-	(3,739)	(1,124)	(4,521)
Total deductions	(151,766)	(24,512)	(55,840)	(32,767)	(239,864)
Net Increase (decrease) prior to interfund					

transfers	790,440	18,789	748,329	214,982	1,131,003
Interfund transfers	(642,063)	31,463	469,225	(290,054)	(170,482)
Net (Decrease) Increase	148,377	50,252	1,217,554	(75,072)	960,521
Net assets available for benefits:					
Net assets available, beginning of year	2,813,376	434,518	2,303,335	2,511,392	3,832,771
Net assets available, end of year	\$2,961,753	\$484,770	\$3,520,889	\$2,436,320	\$4,793,292

	Putnam Income Fund	Putnam New Opportunity Fund	Putnam S & P 500	Putnam International Growth Fund	Total
Additions to net assets attributed to:					
Investment income					
Interest		\$ 38	\$ 38	\$ 38	\$ 45,321
Dividends	\$ 13,037	26,540	-	25,351	1,121,232
Other Receipts	-	-	-	-	13,996
Net appreciation (depreciation) in fair value of investments	1,890 14,927	145,287 171,865	89,239 89,277	11,401 36,790	1,648,802 2,829,351
Contributions:					
Participants	35,496	278,956	62,139	82,843	1,076,711
Employers'	13,011	92,962	22,691	27,127	386,620
Rollovers	2,171	12,197	5,006	3,698	66,766
	50,678	384,115	89,836	113,668	1,530,097
Total Additions	65,605	555,980	179,113	150,458	4,359,448

Deductions:					
Deductions from net assets attributed to:					
Benefits to participants	(6,430)	(24,726)	(1,784)	(5,436)	(506,500)
Loan distributions	-	-	-	-	(24,512)
Other/forfeitures	(36)	(931)	(282)	(189)	(13,551)
Total deductions	(6,466)	(25,657)	(2,066)	(5,625)	(544,563)

Net Increase (decrease) prior to interfund transfers	59,139	530,323	177,047	144,833	3,814,885
Interfund transfers	49,390	170,643	214,922	166,956	-
Net (Decrease) Increase	108,529	700,966	391,969	311,789	3,814,885

Net assets available for benefits:					
Net assets available, beginning of year	152,272	510,958	156,885	128,688	12,844,195
Net assets available, end of year	\$260,801	\$1,211,924	\$548,854	\$440,477	\$16,659,080

The accompanying notes are an integral part of this statement.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 1999, 1998 and 1997

NOTE A - DESCRIPTION OF PLAN

The following description of The UNITIL Corporation and subsidiaries (the "Company") Tax Deferred Savings and Investment Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

## General

The Plan is a defined contribution plan covering substantially all full-time employees of the Company and its wholly owned subsidiaries UNITIL Service Corporation, Concord Electric Company, Exeter and Hampton Electric Company and Fitchburg Gas and Electric Light Company (the "subsidiaries"), who satisfy the eligibility requirements. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

During 1998, the Plan Administrator directed the transfer of all Plan assets from the Fleet Boston to Putnam Investments ("Putnam"). The transfer was made as a result of a change in custodianship of the assets.

## Contributions

A member may authorize a Basic Employee Contribution from 1% to 15% with a maximum contribution not to exceed \$10,000 for 1999.

The Employer shall contribute as of December 31, of each plan year from current or accumulated net profits on behalf of each member participating in the Plan on December 31, of each plan year, an amount equal to 100% of the first 3% of salary the employee puts into the plan (except Fitchburg Gas and Electric Light Company Union Employees whose matching is as follows: first year 1%, second year 2%, third year and after 3%).

## Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged (as applicable) with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Plan administrator will pay for substantially all expenses of the Plan.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

### NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1999, 1998 and 1997

## NOTE A - DESCRIPTION OF PLAN - Continued

### Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100 percent vested after three years of credited service. If a participant terminates employment for any reason other than disability or retirement, he will be entitled to the full amount of contributions he has deposited, plus a percentage of his account balance derived from employer contributions based upon the following schedule:

Year of Service	% Vested
0-1	0%
1-2	33%
2-3	67%
3+	100%

A member will become 100% vested in his account as a result of disability, death or retirement.

### Participant Loans Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Net loan transactions are treated as a transfer to (from) the Investment Fund from (to) the Participant Loan Fund. Loan terms range from 1-5 years or up to 25 years for the purchase of primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate of prime plus one percent (1%). Principal and interest is paid ratably through monthly payroll deductions.

### Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a fixed number of calendar quarters or years.

### Forfeitures

A member who terminates his employment prior to becoming eligible for benefits and does not have a 100% vested right to Company contributions, forfeits the amounts not vested. Such forfeited amounts are used to reduce future Company contributions.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

December 31, 1999, 1998 and 1997

NOTE A - DESCRIPTION OF PLAN - Continued

Upon enrollment and reenrollment, each participant shall direct that his contributions are to be invested in accordance with any of the following investment options.

UNITIL Corporation Common Stock Fund (UNITIL Corporation, no par value common stock).

Putnam S & P 500: This fund invests primarily in publicly traded common stocks, to achieve a return that closely approximates the return of the Standard & Poors 500- composite stock price index.

Putnam Stable Value Fund: This fund invests in high-quality guaranteed investment contracts (GIC's) issued by insurance companies and banks with the objective to achieve a high current income.

Putnam Income Fund: This fund invests in debt securities, including both government and corporate obligations, preferred stocks and dividend - paying common stocks.

Putnam Fund for Growth and Income: This fund seeks capital growth and current income by investing primarily in common stocks that offer potential for capital growth and current income.

Putnam New Opportunities Fund: This fund seeks long-term capital appreciation through the investment in common stocks with the potential of above-average long-term growth.

Putnam Voyager Fund: This fund seeks capital appreciation for investors willing to assume above-average risk in return for above-average capital growth potential.

Putnam International Growth Fund: This fund seeks capital appreciation by investing primarily in equity securities of companies located in a country other than the United States.

George Putnam Fund of Boston: This fund seeks to provide a balanced investment comprised of a well-diversified portfolio of stocks and bonds that will produce both capital growth and current income.

Putnam International Voyager Fund: This fund seeks long-term capital appreciation by investing primarily in smaller company stocks in a variety of countries outside the United States.

Participants may change their investment options daily.  
The UNITIL Corporation Tax Deferred Savings and Investment Plan

December 31, 1999, 1998 and 1997

NOTE A - DESCRIPTION OF PLAN - Continued

The number of participants in each fund at December 31 was as follows:

	1999	1998
Unitil Corporation Stock Fund	179	245
Putnam Growth & Income Fund	262	262
Putnam Stable Value Fund	179	177
Putnam Voyager Fund	329	305
Putnam Income Fund	104	102
Putnam New Opportunities Fund	250	234
Putnam S&P 500 Fund	146	127
Putnam International Growth Fund	147	133
George Putnam Fund of Boston	7	N/A
Putnam International Voyager Fund	29	N/A

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Effective Date

The Plan's effective date is July 1, 1987, as amended effective May 8, 1992 and January 1, 1994. The Plan as amended effective May 8, 1992, provided for the merger of the Fitchburg Gas and Electric Tax Deferred Savings and Investment Plan with The Plan. The Plan as amended effective January 1, 1994, provided for the merger of the Fitchburg Gas and Electric Light Company Union Tax Deferred Savings and Investment Plan into the Plan.

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

NOTE B - SUMMARY OF ACCOUNTING POLICIES - Continued

Management Estimates

In preparing the financial statements in conformity to generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Plan is administered by a trustee. The Plan's investments (including investments bought, sold and held during the year) are carried at current fair value. The difference between current fair value and the cost of investments are included in net appreciation or (depreciation) in fair value of investments.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Benefits

Benefits are recorded when paid.

Eligibility

Employees are eligible for membership on either January 1 or July 1 coincident with or the next day following on which they have both:

- (1) Attained the age of 18, and
- (2) Completed 1000 hours of credited service

Normal Retirement Date

A participant's normal retirement benefit date is the date he/she reaches his/her 65th birthday or, if later, the 10th anniversary of the date he/she becomes a participant.

The UNITIL Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 1999, 1998 and 1997

NOTE C - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan at any time subject to the provision of ERISA with respect to its employees by a written resolution with a copy delivered to the trustee. In the event of a Plan termination, participants will become fully vested in their accounts.

NOTE D - DETERMINATION LETTER

The Internal Revenue Service has determined and informed the Company by a letter dated May 9, 1995, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan was amended in July 1998 and the Company believes that this amendment will not affect the status of the Plan with the IRC.

Consent of Independent Certified Public Accountants

We have issued our report dated June 9, 2000, accompanying the financial statements of The UNITIL Corporation Tax Deferred Savings and Investment Plan contained in the information required by Form 11-K filed as an exhibit to the UNITIL Corporation Annual Report on Form 10-K for the year ended December 31, 1999. We hereby consent to the incorporation by reference of said report in the Registration Statement of The UNITIL Corporation Tax Deferred Savings and Investment Plan on Form S-8 (File No. 33-24436).

GRANT THORNTON LLP

Boston, Massachusetts



