

As filed with the Securities and Exchange Commission on
October 23, 2000

File No. 70-9633

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
APPLICATION-DECLARATION
ON FORM U-1
UNDER THE
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

UNITIL CORPORATION
CONCORD ELECTRIC COMPANY
EXETER & HAMPTON ELECTRIC COMPANY
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
UNITIL POWER CORP.
UNITIL REALTY CORP.
UNITIL RESOURCES INC.
UNITIL SERVICE CORP.
6 Liberty Lane West
Hampton, New Hampshire 03842-1720

(Name of companies filing this statement and
address of principal executive offices)

UNITIL CORPORATION
6 Liberty Lane West
Hampton, New Hampshire 03842-1720

(Name of top registered holding company parent)

Mark H. Collin
Treasurer

UNITIL CORPORATION
6 Liberty Lane West
Hampton, New Hampshire 03842-1720

(Name and address of agent for service)

The Commission is requested to mail copies of
all orders, notices and communications to:

William S. Lamb, Esq.
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
125 West 55th Street
New York, New York 10019

On June 9, 2000, Unitil Corporation, a New Hampshire corporation ("Unitil") and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "Act"), and its wholly owned subsidiary companies, Concord Electric Company ("Concord"), Exeter & Hampton Electric Company ("Exeter"), Fitchburg Gas and Electric Light Company ("Fitchburg"), Unitil Power Corp. ("Unitil Power"), Unitil Realty Corp. ("Unitil Realty"), Unitil Resources, Inc. ("Unitil Resources") and Unitil Service Corp. ("Unitil Service" and, together with Concord, Exeter, Fitchburg, Unitil Power, Unitil Realty and Unitil Resources, the "Subsidiaries" or "Money Pool Participants"), received approval under the Act from the Securities and Exchange Commission (the "Commission") for the authorization and approval under Sections 6(b), 7, 9(a), 10 and 12(b) of the Act and the Rules 43, 45 and 52 thereunder with respect to (i) short-term borrowing by Unitil, (ii) short-term borrowings by Fitchburg and (iii) the continued use of the system money pool ("Money Pool") by Unitil and the Money Pool Participants, pursuant to the Cash Pooling and Loan Agreement (the "Pooling Agreement") among Unitil and the Money Pool Participants dated as of February 1, 1985, as amended, Holding Co. Act Release No. 27182 (the "Order").

The Applicants hereby file this post effective amendment to their application-declaration on Form U-1 relating to the above-referenced transactions (the "Application-Declaration") under the Act in order to increase certain authorized borrowing amounts authorized in the Order.

ITEM 1. DESCRIPTION OF PROPOSED TRANSACTIONS

The Applicants hereby submit this Application-Declaration for authorization and approval under Sections 6(b), 7, 9(a), 10 and 12(b) of the Act and the Rules 43, 45 and 52 thereunder to increase Unitil's authorized short-term borrowing to \$35 million from \$25 million. Since the Commission issued the Order, Unitil reevaluated its financial needs and determined that the Company will require authority to issue up to \$35 million in short-term debt to meet its financing needs prior to the completion of its 2001 long-term financing plans. As Unitil finalized its long-term financing plans for 2001, it determined that additional borrowing authority would be required to give it the financial flexibility needed to successfully complete its upcoming financing plans. Additionally, with rising energy costs, such an increase would assist it in meeting any short-term payment timing differences that may occur in the future related to energy supply costs. Unitil's Board of Directors authorized this short-term borrowing limit of \$35 million on September 29, 2000. (See Exhibit B-7)

Any borrowings undertaken pursuant to this authorization will remain subject to the parameters set forth in the Order, except for the new aggregate limit of \$35 million. Applicants are not requesting an increase in borrowing authority for Fitchburg.

A. Short-Term Borrowings by Unitil

Unitil expects to use the proceeds derived from short-term bank borrowings authorized by this Commission pursuant to this application-declaration for: (i) loans or advances to Subsidiaries through the Pooling Agreement, (ii) payment of indebtedness, (iii) short-term cash needs which may arise due to payment timing differences, (iv) greater flexibility in financial planning and (iv) other general purposes.

When the Commission issued the Order, Unitil had unsecured lines of credit with BankBoston, Fleet Bank New Hampshire and Citizens Bank New Hampshire; the agreements are included as Exhibits B-2, B-3 and B-4 respectively. These letters of credit and promissory notes are exemplary of forms of short-term notes proposed to be used by Unitil.¹ Unitil has also amended the Pooling Agreement to allow Unitil Resources, Inc. to participate in the Money Pool, and the amended Pooling Agreement is attached as Exhibit B-1.

B. Involvement with Exempt Wholesale Generators and Foreign Utility Companies

The proposed transactions are not subject to Rules 53 and 54 under the Act. Neither Unitil nor any Subsidiary thereof presently has, or as a consequence of the proposed transactions will have, an interest in any exempt wholesale generator ("EWG") or foreign utility company ("FUCO"), as those terms are defined in Sections 32 and 33 of the Act, respectively. None of the proceeds from the proposed transactions will be used to acquire any securities of, or any interest in, an EWG or FUCO. Moreover, neither Unitil nor any of the Subsidiaries is, or as a consequence of the proposed transactions will become, a party to, and such entities do not and will not have any rights under, a service, sales or construction contract with any affiliated EWGs or FUCOs except in accordance with the rules and regulations promulgated by the Commission with respect thereto. Consequently, all applicable requirements of Rule 53(a)-(c) under the Act are satisfied as required by Rule 54 under the Act.

ITEM 2. FEES, COMMISSIONS AND EXPENSES

The fees, commissions and expenses of the Applicants expected to be paid or incurred, directly or indirectly, in connection with the transactions described above are estimated as follows:

- - - - -

¹ Since the original notes were signed, Fleet Bank and BankBoston have merged, with Fleet Bank as the surviving entity. The previous lines of credit have also expired. Accordingly, Unitil has renegotiated its lines of credit and as of October 9, 2000 had three lines of credit: a \$16 million unsecured line of credit from Fleet National Bank (attached as Exhibit B-8); a \$5 million unsecured line of credit from Citizens Bank New Hampshire (attached as Exhibit B-9); and a \$4 million unsecured line of credit from Sovereign Bank of New England (attached as Exhibit B-10). These newer letters of credit and promissory notes are substantively similar to the exemplary agreements provided in the approved Application-Declaration.

Legal fees	\$5,000
Miscellaneous	\$3,000
Total	\$8,000

ITEM 3. APPLICABLE STATUTORY PROVISIONS

Sections 6(b), 7, 9(a), 10 and 12(b) of the Act, and Rules 43, 45 and 52 thereunder, are directly applicable to this Application-Declaration.

ITEM 4. REGULATORY APPROVALS

No state or federal agency other than the Commission has jurisdiction with respect to any of the proposed transactions other than as described in this item.

ITEM 5. PROCEDURE

It is requested that the Commission issue and publish no later than November 6, 2000, the requisite notice under Rule 23 with respect to this Application-Declaration; such notice specifying December 1, 2000 as the date by which comments may be entered and the date on which an order granting and permitting the Application-Declaration to become effective may be entered by the Commission and that the Commission enter not later than December 15, 2000, an appropriate order granting and permitting this Application-Declaration to become effective.

The Applicants respectfully request that appropriate and timely action be taken by the Commission in this matter. No recommended decision by a hearing officer or other responsible officer of the Commission is necessary or required in this matter. The Division of Investment Management of the Commission may assist in the preparation of the Commission's decision in this matter. There should be no thirty-day waiting period between the issuance and effective date of any order issued by the Commission in this matter, and it is respectfully requested that any such order be made effective immediately upon the entry thereof.

ITEM 6. EXHIBITS AND FINANCIAL STATEMENTS

a) Exhibits

Exhibit No. -----	Description of Exhibit -----
B-1	Cash Pooling and Loan Agreement, as amended.
B-2	Line of Credit and Promissory Note from BankBoston dated July 29, 1999 (Previously Filed).

- B-3 Line of Credit and Promissory Note from Fleet Bank-New Hampshire dated July 30, 1998 (Previously Filed).
- B-4 Line of Credit and Promissory Note from Citizens Bank New Hampshire dated September 20, 1999 (Previously Filed).
- B-5 Withdrawn.
- B-6 Resolutions of Fitchburg Board of Directors authorizing short-term borrowing limits (Filed as Exhibit B-6 Form U-1 File No. 9053 and incorporated by reference herein).
- B-7 Resolutions of Unitil Board of Directors authorizing short-term borrowing limits dated October 3, 2000.
- B-8 Line of Credit and Promissory Note from Fleet National Bank dated September 18, 2000.
- B-9 Line of Credit and Promissory Note from Citizens Bank New Hampshire dated August 30, 2000.
- B-10 Line of Credit and Promissory Note from Sovereign Bank of New England dated September 25, 2000.
- D-1 New Hampshire Public Utilities Commission Order No. 18,416 (Filed with the Commission as Exhibit D-3 to Form U-1 File No. 70-8066 and incorporated by reference herein).
- D-2 New Hampshire Public Utilities Commission Order No. 17,373 (Filed with the Commission as Exhibit D-4 to Form U-1 File No. 70-8066 and incorporated by reference herein).
- D-3 Massachusetts Department of Public Utilities Commission Order No. MDPU 89-66 (Filed with the Commission as Exhibit D-5 to Form U-1 File No. 70-8066 and incorporated by reference herein).
- F-1 Opinion of Counsel (To be filed by Amendment).
- F-2 "Past Tense" Opinion of Counsel (To be filed by Amendment).
- G-1 Financial Data Schedule.
- H-2 Proposed Form of Notice.

b) Financial Statements

- | No. | Description of Financial Statement |
|------|---|
| FS-1 | Unitil Corporation and Subsidiary Companies Consolidated Actual and Pro Forma Balance Sheets and Statement of Earnings, June 30, 2000. |
| FS-2 | Unitil Corporation and Subsidiary Companies Consolidated Actual Balance Sheets and Statement of Earnings, June 30, 2000 (Filed with the Commission with Unitil's 10-Q for the period ended June 30, 2000 and incorporated by reference herein). |
| FS-3 | Unitil Corporation (Company Only) Actual and Pro Forma Balance Sheets and Statement of Earnings, June 30, 2000. |
| FS-4 | Fitchburg Actual and Pro Forma Balance Sheet |

and Statement of Earnings, June 30, 2000.

FS-5 Concord Electric Company Balance Sheet and
Statement of Earnings, September 30, 1999
(Previously Filed).

FS-6 Exeter & Hampton Electric Company Balance
Sheet and Statement of Earnings, September
30, 1999 (Previously Filed).

ITEM 7. INFORMATION AS TO ENVIRONMENTAL EFFECTS

None of the matters that are the subject of this Application-Declaration involve a "major federal action" nor do they "significantly affect the quality of the human environment" as those terms are used in Section 102(2)(C) of the National Environmental Policy Act. None of the proposed transactions that are the subject of this Application-Declaration will result in changes in the operation of the Applicants that will have an impact on the environment. The Applicants are not aware of any federal agency which has prepared or is preparing an environmental impact statement with respect to the transactions proposed herein.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the Applicants have duly caused this Application-Declaration to be signed on their behalf by the undersigned thereunto duly authorized.

Dated: October 20, 2000

UNITIL CORPORATION

By: /s/ Mark H. Collin

Name: Mark H. Collin
Title: Treasurer

Dated as of February 1, 1985

UNITIL CORPORATION, a New Hampshire corporation ("UNITIL"), CONCORD ELECTRIC COMPANY, a New Hampshire corporation ("Concord"), EXETER & HAMPTON ELECTRIC COMPANY, a New Hampshire corporation ("Exeter"), UNITIL POWER CORP., a New Hampshire corporation ("UNITIL Power"), and UNITIL SERVICE CORP., a New Hampshire Corporation ("UNITIL Service") (UNITIL, Concord, Exeter, UNITIL Power and UNITIL Service are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties"), agree as follows:

Section 1. Certain Defined Terms.

As used in this Agreement and unless otherwise expressly indicated herein, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Advance" means an advance from the Cash Pool pursuant to Section 3 hereof and refers to a Bank Advance or a Surplus Advance.

"Bank Advance" means an Advance of Bank Borrowings.

"Bank Borrowings" means bank borrowings made by UNITIL and contributed to the Cash Pool.

"Business Day" means a day of the year on which banks are not required or authorized to close in Boston, Massachusetts.

"Cash Pool" means the pool of cash, comprising Surplus Funds and Bank Borrowings, from which Advances are made.

"Surplus Advance" means an Advance of Surplus Funds.

"Surplus Funds" means surplus funds contributed to the Cash Pool by the Parties.

Section 2. Contributions to the Cash Pool.

Funds contributed to the Cash Pool will be deposited in one or more common bank deposit accounts established and maintained for the Cash Pool. Each Party shall have an independent withdrawal authority with respect to the funds which it has contributed to the Cash Pool and any earnings attributable to such funds which are not funding an outstanding Advance.

Section 3. Advances

Section 3.01. (a) Each Party may request Advances from the Cash Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all Advances to be requested by any Party hereunder shall not exceed the applicable borrowing limits, if any, established by such Party's Board of Directors and any regulatory authority having jurisdiction over such Party or established pursuant to any agreement binding upon such Party; and provided, further, that UNITIL Power may not receive any Advances hereunder until specifically authorized to receive such Advances by the New Hampshire Public Utilities Commission ("NHPUC").

Section 3.02. To the extent possible, Advances will be made first from Surplus Funds and second from Bank Borrowings.

Section 3.03. Surplus Advances will be made on a pro rata basis from the Surplus Funds contributed to the Cash Pool by each Party in the proportion which each Party's Surplus Funds in the Cash Pool bear to the total amount of Surplus Funds in the Cash Pool.

Section 4. Interest on Advances.

Each Party receiving an Advance shall pay interest on the unpaid principal amount of such Advance to the Cash Pool from the date of such Advance until such principal amount shall be paid in full. The interest rate applicable on any day to Surplus Advances shall be the daily rate of interest applicable to loans to UNITIL by the bank designated from time to time by UNITIL as its "lead bank". The interest rate applicable on any day to Bank Advances shall be calculated to produce an aggregate interest charge on all such Bank Advances, at a rate which shall be uniform for all such Bank Advances, equal to the net cost to UNITIL of the Bank Borrowings used to fund such Bank Advances on such day.

Section 5. Repayment of Advances.

Each Party receiving an Advance shall repay the principal amount of such

Advance to the Cash Pool, together with all interest accrued thereon, within 365 days of the date on which such Advance was made, unless such day on which payment is due is not a Business Day, in which case such payment shall be made on the preceding Business Day.

Section 6. Bank Fees.

During the first year of this Agreement the costs of compensating balances, commitment fees and fees paid to banks to maintain bank accounts and credit lines for purposes of Bank Advances shall be allocated provisionally among the Parties at the discretion of UNITIL Service. In each year thereafter such costs and fees shall be allocated provisionally to each Party on a pro rata basis in the proportion which each Party's aggregate principal amount of Advances for the prior calendar year bore to the aggregate principal amount of all Advances for such prior calendar year. Such costs and fees shall be retroactively reallocated at the end of each calendar year on a pro rata basis in the proportion which each Party's aggregate principal amount of Advances for such calendar year bore to the aggregate principal amount of all Advances for such calendar year.

Section 7. Event of Default.

If any Party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Party seeking to adjudicate it a bankrupt or insolvent, then the other Parties may declare the unpaid principal amount of any Advances to such Party, and all interest thereon, to be forthwith due and payable and all such amounts shall forthwith become due and payable.

Section 8. Amendments, Waivers.

This Agreement may not be modified or amended in any respect except in writing executed by the Parties. No provision of this Agreement shall be deemed waived unless such waiver is set forth in writing and executed by the Party making such waiver.

Section 9. Legal Responsibility.

Nothing herein contained shall render any Party liable for the obligations of any other Party hereunder and the rights, obligations and liabilities of the Parties are several in accordance with their respective obligations, and not joint.

Section 10. Records and Administration.

UNITIL Service shall be responsible for the administration of this Agreement and for ensuring that all relationships and arrangements between the Parties hereunder are in compliance with the authorization and any applicable limitations of Report and Supplemental Order No. 17,343 of the NHPUC. UNITIL Service shall further be responsible for the determination of all applicable interest rates and charges to be applied to Advances outstanding at any time hereunder, shall maintain records of all Advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare regular reports thereof for the Parties.

Section 11. Governing Law.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

CONCORD ELECTRIC COMPANY

By: -----
Peter J. Stulgis, Vice President

By: -----
Charles J. Kershaw, Jr., Assistant Treasurer

EXETER & HAMPTON ELECTRIC COMPANY

By:

Peter J. Stulgis, Vice President

By:

Charles J. Kershaw, Jr., Assistant Treasurer

UNITIL Corporation

By:

Peter J. Stulgis, Vice President

By:

Charles J. Kershaw, Jr., Assistant Treasurer

UNITIL Power Corp.

By:

Michael J. Dalton, President

By:

Douglas K. Macdonald, Treasurer

UNITIL Service Corp.

By:

Peter J. Stulgis, President

By:

Charles J. Kershaw, Jr., Treasurer

FIRST AMENDMENT TO CASH POOLING
AND LOAN AGREEMENT

This First Amendment to Cash Pooling and Loan Agreement is dated as of the 15th day of December 1986.

WHEREAS, UNITIL Corporation, a New Hampshire corporation ("UNITIL"), Concord Electric Company, a New Hampshire corporation ("Concord"), Exeter & Hampton Electric Company, a New Hampshire corporation ("Exeter"). UNITIL Power Corp., a New Hampshire corporation ("UNITIL Power") and UNITIL Service Corp., a New Hampshire corporation ("UNITIL Service") are parties to a Cash Pooling and Loan Agreement dated as of February 1, 1985 (the "Agreement"); and

WHEREAS, UNITIL has acquired all of the outstanding capital stock of UNITIL Realty Corp., a New Hampshire corporation ("Realty Corp."); and

WHEREAS, Realty Corp. and each of the parties to the Agreement desire that Realty Corp. become a party to the Agreement.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged by each party to the others, the parties hereto agree as follows:

1. Realty Corp. is hereby admitted as a party to the Agreement and shall be considered a "Party" defined therein for all purposes thereof. By its execution hereof, Realty Corp. agrees to be bound by all provisions of the Agreement as if it were originally a party thereto.

2. All provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this First Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

By: -----
Peter J. Stulgis, Vice President

By: -----
Charles J. Kershaw, Jr., Assistant Treasurer

EXETER & HAMPTON ELECTRIC COMPANY

By: -----
Peter J. Stulgis, Vice President

By: -----
Charles J. Kershaw, Jr., Assistant Treasurer

UNITIL Corporation

By: -----
Peter J. Stulgis, Vice President

By: -----
Charles J. Kershaw, Jr., Assistant Treasurer

UNITIL Power Corporation

By: -----
Michael J. Dalton, President

By: -----
Douglas K. Macdonald, Treasurer

UNITIL Realty Corp.

By: -----
Charles J. Kershaw, Jr., President

By: -----
Richard F. Gilmore, Treasurer

UNITIL Service Corp.

By: -----
Peter J. Stulgis, President

By: -----
Charles J. Kershaw, Jr., Treasurer

SECOND AMENDMENT TO
CASH POOLING AND LOAN AGREEMENT

This Second Amendment to the Cash Pooling and Loan Agreement to become effective at the time of the Merger of Fitchburg Gas and Electric Light Company into UNITIL Corporation and dated April 29, 1992.

WHEREAS, UNITIL Corporation, a New Hampshire corporation ("UNITIL"), Concord Electric Company, a New Hampshire corporation ("Concord"), Exeter & Hampton Electric Company, a New Hampshire corporation ("Exeter"), UNITIL Power Corp., a New Hampshire corporation ("UNITIL Power"), UNITIL Realty Corp.; a New Hampshire corporation ("UNITIL Realty") and UNITIL Service Corp., a New Hampshire corporation ("UNITIL Service") are parties to a Cash Pooling and Loan Agreement dated as of February 1, 1985, as amended as of December 15, 1986 (the "Agreement"); and

WHEREAS, UNITIL has acquired through merger all of the outstanding Common Stock of Fitchburg Gas and Electric Light Company, a Massachusetts corporation ("Fitchburg"); and

WHEREAS, UNITIL has become a registered holding company under provisions of the Public Utility Holding Company Act of 1935 ("PUCHA"), and

WHEREAS, Fitchburg and each of the parties to the Agreement desire that Fitchburg become a party to the Agreement and that UNITIL conform to the provisions of the PUCHA.

NOW, THEREFORE in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged by each party to the others, the parties hereto agree as follows:

1. Fitchburg is hereby admitted as a party to the Agreement and shall be considered a "party" as defined therein for all purposes thereof. By its execution hereof, Fitchburg agrees to be bound by all provisions of the Agreement as if it were originally a party thereto.

2. Effective as of the date of the Merger, UNIM agrees to no longer request or receive Advances from the Cash Pool, but will receive all other benefits associated with this arrangement and bound by all other provisions of this Agreement;

3. Except as described above, all provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

UNITIL CORPORATION

By: -----
MICHAEL J. DALTON, President

By: -----
Gail S. Brown, Treasurer

CONCORD ELECTRIC COMPANY

By: -----
Michael J. Dalton, President

By: -----
Charles J. Kershaw, Jr., Treasurer

EXETER & HAMPTON ELECTRIC COMPANY

By: -----
Michael J. Dalton, President

By: -----
Charles J. Kershaw, Jr., Treasurer

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

By: -----
Frank L. Childs, President

By: -----
Charles J. Kershaw, Jr., Treasurer

UNITIL POWER CORP.

By: -----
Michael J. Dalton, President

By: -----
Charles J. Kershaw, Jr., Treasurer

UNITIL REALTY CORP.

By: -----
Frank L. Childs, President

By:

Charles J. Kershaw, Jr., Treasurer

UNITIL SERVICE CORP.

By: -----
Peter J. Stulgis, President

By: -----
Charles J. Kershaw, Jr., Treasurer

THIRD PROPOSED AMENDMENT TO
CASH POOLING AND LOAN AGREEMENT

This Third Amendment to the Cash Pooling and Loan Agreement is dated _____.

WHEREAS, UNITIL Corporation, a New Hampshire corporation ("UNITIL"), Concord Electric Company, a New Hampshire corporation ("Concord"), Exeter & Hampton Electric Company, a New Hampshire corporation ("Exeter"), Fitchburg Gas and Electric Light Company, a Massachusetts Corporation, UNITIL Power Corp., a New Hampshire corporation ("UNITIL Power"), UNITIL Realty Corp., a New Hampshire corporation ("UNITIL Realty") and UNITIL Service Corp., a New Hampshire corporation ("UNITIL Service") are parties to a Cash Pooling and Loan Agreement dated as of February 1, 1985, as amended; and

WHEREAS, UNITIL has acquired all the outstanding capital stock of UNITIL Resources, Inc., a New Hampshire Corporation ("UNITIL Resources"), and

WHEREAS, UNITIL Resources and each of the parties to the Agreement desire that UNITIL Resources become a party to the Agreement;

NOW, THEREFORE in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency is hereby acknowledged by each party to the others, the parties hereto agree as follows:

1. UNITIL Resources is hereby admitted as a party to the Agreement and shall be considered a "party" as defined therein for all purposes thereof. By its execution hereof, UNITIL Resources agrees to be bound by all provisions of the Agreement as if it were originally a party thereto.

2. All provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Third Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

UNITIL CORPORATION

By:

Michael J. Dalton, President

By:

Gail A. Siart, Treasurer

CONCORD ELECTRIC COMPANY
EXETER & HAMPTON ELECTRIC COMPANY
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

By:

Michael J. Dalton, President

By:

Mark H. Collin, Treasurer

UNITIL POWER CORP.

By:

James Daly, President

By:

Mark H. Collin, Treasurer

UNITIL REALTY CORP.

By:

Gail A. Siart, President

By:

Mark H. Collin, Treasurer

UNITIL RESOURCES, INC.

By:

George R. Gantz, President

By:

Gail A. Siart, Treasurer

UNITIL SERVICE CORP.

By:

Peter J. Stulgis, President

By:

Mark H. Collin, Treasurer

Unitil Corporation

C E R T I F I C A T E

On motion duly made and seconded, the following vote was unanimously adopted:

VOTED: That, effective September 29, 2000, and until further action by Directors in this respect, the total amount of short-term unsecured obligations of this Company issued and outstanding at any one time shall not exceed the sum of Thirty-five Million Dollars (\$35,000,000); and that the Chairman, President, any Vice President and Treasurer or any Assistant Treasurer of this Company be and they are, and each of them singly is, hereby authorized to borrow funds upon short-term unsecured obligations of this Company not exceeding in the aggregate the amount above set forth, bearing interest at such rates and maturing at such time as may to them seem wise, such short-term unsecured obligations to be signed on behalf of this Company by the Treasurer or any Assistant Treasurer and countersigned by the Chairman, President, any Vice President, or any two Directors.

I, Mark H. Colin, hereby certify that I am Secretary of Unitil Corporation; that the foregoing is a true copy from the records of votes unanimously adopted at a meeting of the Directors of said Company duly called and held September 29, 2000 at which meeting a quorum was present and acting throughout; and that the said votes have not since been altered, amended or rescinded.

WITNESS my hand and the corporate seal of Unitil Corporation this 3rd day of October, 2000.

[SEAL]

/s/ _____
Secretary

September 13, 2000

Mr. Mark H. Collin
Treasurer
Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

Dear Mark:

We are pleased to advise you that Fleet National Bank (the "Bank") has approved an unsecured line of credit in the maximum principal amount of Sixteen Million Dollars (\$16,000,000) (the "Line") for Unitil Corporation (the "Borrower") subject to the Bank's periodic review. Unless renewed or demanded, this Line will expire on June 30, 2001 (the "Annual Review Date").

Coinciding with the establishment of the Line, the existing \$8,000,000 line of credit, as established via a letter agreement between the Borrower and Fleet Bank-NH dated July 14, 1998 and executed on July 30, 1998 (the "\$8,000,000 Line"), will be thereby eliminated and terminated, disallowing any future advances under the \$8,000,000 Line. Also coinciding with the establishment of the Line, the existing \$8,000,000 line of credit, as established via a letter agreement between the Borrower and BankBoston dated July 29, 1999 (the "BB \$8,000,000 Line"), will be thereby eliminated and terminated, disallowing any future advances under the BB \$8,000,000 Line.

The Line shall immediately pay out the outstanding balance under the \$8,000,000 Line and the BB \$8,000,000 Line and thereafter shall be available for short term advances used for working capital and general corporate purposes. This letter, together with the related Line of Credit Promissory Note of near or even date (collectively, the "Loan Documents"), shall serve as our agreement concerning the terms and conditions of the Borrower's borrowing under the Line.

Advances hereunder or renewal hereof will be made only if in the opinion of the Bank there has been no material change of circumstances and if there exists no default under any Loan Documents executed by the Borrower.

Borrowings under the Line will be priced at the rates the Bank quoted the Borrower as:

- (1) the Prime Rate (as hereinafter defined) presently 9.5%. or
- (2) the "Money Market" rates as we may quote you from time to time in the Bank's sole discretion.

The Borrower agrees that the Bank may make loan advances to the Borrower upon verbal authority of any officer executing this Note on behalf of the Borrower or any other officer of the Borrower who is authorized in writing to borrow money from the Bank. As is typical for facilities of this type, the Bank retains the right to refuse at any time any borrowing request hereunder. Borrowings at Money Market Rates may be requested for maturities of 1 (one) day up to a maximum of 90 (ninety) days, but shall not exceed the Annual Review Date. All loans under the Line will be made by crediting the proceeds thereof to the Borrower's demand deposit account maintained at the Bank, which account should be established prior to any advances under the Line. Borrowings under the Money Market option must be in minimum increments of \$500,000. Borrowings under the Money Market option are subject to the availability of funding sources and the continued legality of the Bank offering such pricing option.

If, at any time, (i) the interest rate on the Line is a fixed rate (such as a Money Market Rate), and (ii) Bank in its sole discretion should determine that current market conditions can accommodate a prepayment request, Borrower shall have the right, at any time and from time to time, upon at least ten (10) Business Days' prior written notice to Bank, to prepay the loan (which is bearing interest at a fixed rate) in whole (but not in part), and Borrower shall pay to Bank a yield maintenance fee in an amount computed as follows: The current rate for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent) with a maturity date closest to the maturity date of the term chosen pursuant to the Fixed Rate Election as to which prepayment is made, shall be subtracted from the "Cost of Funds" component of the fixed rate in effect at the time of prepayment. If the result is zero or a negative number, there shall be no yield maintenance fee. If the result is a positive number, then the resulting percentage shall be multiplied by the amount of the principal balance being prepaid. The resulting amount shall be divided by 360 and multiplied by the number of days remaining in the term chosen pursuant to the Fixed Rate Election as to which the prepayment is made. Said amount shall be reduced to present value calculated using the above-referenced United States Treasury securities rate and the number of days remaining in the term chosen

pursuant to the Fixed Rate Election as to which the prepayment is made. The resulting amount shall be the yield maintenance fee due to Bank upon prepayment of the fixed rate loan. Each reference in this paragraph to "Fixed Rate Election" shall mean the election by Borrower pursuant to the foregoing paragraph of this Agreement. "Cost of Funds" as used herein shall mean the per annum rate of interest which Bank is required to pay, or is offering to pay, for wholesale liabilities of like tenor, adjusted for reserve requirements and such other requirements as may be imposed by federal, state or local government and regulatory agencies, as determined by Bank. If by reason of an event of default Bank elects to declare the Line to be immediately due and payable or if demand is made by the Bank, then any yield maintenance fee with respect to the Line shall become due and payable in the same manner as though Borrower had exercised such right of prepayment.

All Prime Rate and Money Market Rate borrowings shall be evidenced by the Line of Credit Promissory Note in the form attached hereto and said promissory note shall be executed by the Borrower prior to the Bank's initiation of the Line. Each borrowing and the corresponding information will be recorded in our computer data files. The Bank's corresponding records of debits and credits will be additional evidence of borrowing. The Borrower authorizes the Bank to keep the official record of borrowing, under these facilities and the Borrower agrees that, absent manifest error, this record shall be conclusive and binding.

Interest shall be payable monthly in arrears. An unused fee payable quarterly at the rate of one-quarter of one percent (0.25%) per annum shall apply to the daily average of unadvanced amounts under the Line (based upon the maximum available amount of \$16,000,000). This fee shall be billed and payable by the Borrower quarterly in arrears. Interest and fees are calculated on the basis of actual days elapsed over a three hundred sixty (360) day banking year.

To induce the Bank to enter into this Agreement and to extend the Line, the Borrower warrants, represents and covenants to the Bank that:

1. The Borrower has full power and authority to enter into this Agreement and to borrow hereunder, to execute and deliver this Agreement, and any other documents the purpose of which are to evidence or secure the Line and to incur the obligations provided for herein and in the Loan Documents, all of which have been duly authorized by all proper and necessary corporate or other action. Any consent or approval of stockholders, or of any agency or of any public authority or of any other party required as a condition to the legal validity of this Agreement or the Loan Documents has been obtained.

2. This Agreement and the Loan Documents constitute the valid and legally binding obligations of the Borrower enforceable in accordance with their terms; provided, that the enforceability of any provisions in the Loan Documents, or of any rights granted to the Bank pursuant thereto may be subject to and affected by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and that the right of the Bank to specifically enforce any provisions of the Loan Documents is subject to general principles of equity.

3. There is no charter provision or bylaw of the Borrower, and no provision(s) of any existing mortgage, indenture, contract or agreement binding on the Borrower or affecting any of the Borrower's property, which would conflict with, be in contravention hereof, have a material adverse effect upon, or in any way prevent the execution, delivery, or performance of the terms of this Agreement or the Loan Documents.

4. No part of the proceeds received by the Borrower from the Line will be used directly or indirectly for the purpose of purchasing or carrying, or for payment in full or in part of indebtedness which was incurred for the purposes of purchasing or carrying any margin stock, as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System.

5. None of the information with respect to the Borrower which has been prepared and furnished by the Borrower to the Bank in connection with the transactions contemplated hereby is false or misleading with respect to any material fact, or omits to state any material fact necessary in order to make the statements, therein not misleading.

6. The Borrower shall take all necessary action to maintain the Borrower's existence, including the filing of required reports and, tax returns with the Secretary of State of the State of New Hampshire and with the appropriate authorities in any other state where required.

7. The Borrower shall promptly notify the Bank in writing of the occurrence of any Event of Default under this Agreement (or any occurrence that would, with the passage of time, constitute an Event of Default) or any other loan or financing arrangement.

8. The Borrower shall comply in all material respects with all applicable

material laws, rules, regulations, and orders, provided, however, that Borrower shall be entitled to contest the same in good faith so long as such action does not have an adverse effect upon the Bank's rights hereunder or the security furnished therefor. Without limiting in any manner the scope or generality of the foregoing, the Borrower agrees to comply with all federal, state and other laws and regulations regarding the generation, treatment, storage, disposal or transportation of hazardous waste or materials, as defined under applicable federal and state law; and agrees to defend, indemnify and hold the Bank harmless from and against any and all liabilities, costs and expenses (including reasonable attorneys' fees) attributable to or in any way connected with the failure to comply with such laws and regulations.

If the foregoing satisfactorily sets forth the terms and conditions of the Line, please indicate your agreement by executing and returning this letter and the attached Line of Credit Promissory Note, the terms and conditions of which are incorporated herein by reference.

We continue to enjoy working with Unitil Corporation and look forward to further expanding upon our long-standing and mutually beneficial relationship.

FLEET NATIONAL BANK

Witness By: Gregory J. Shaw, Its Duly Authorized Vice President

The above terms are hereby understood and accepted as of this ____ day of September, 2000:

UNITIL CORPORATION

Witness By: Mark H. Collin, Its Duly Authorized Treasurer

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM

The foregoing instrument was acknowledged before me this ____ day of September, 2000, by Mark H. Collin, duty authorized Treasurer of Unitil Corporation, a New Hampshire corporation, on behalf of same.

Notary Public
My Commission Expires: _____
Notary Seal:

SANDRA L. WHITNEY, Notary Public
My Commission Expires April 26, 2005

LINE OF CREDIT PROMISSORY NOTE

\$16,000,000

September 18, 2000
Manchester, New Hampshire

FOR VALUE RECEIVED, UNITIL CORPORATION, a New Hampshire corporation with a principal place of business at 6 Liberty Lane West, Hampton, New Hampshire 03842 (the "Borrower") (the Borrower and all other persons primarily or secondarily liable hereunder or in respect hereto are sometimes referred to herein as the "Obligor"), hereby promises to pay, ON DEMAND, to the order of FLEET NATIONAL BANK, a national banking association organized and existing under the laws of the United States of America, with an office at 1155 Elm Street, Manchester, New Hampshire 03101 (the "Bank") (the Bank and any subsequent transferee of this Note, whether taking by negotiation or otherwise, are sometimes referred to herein as the "Holder") at such place of business or such other place as may be designated hereafter by the holder hereof, the principal sum of Sixteen Million Dollars (\$16,000,000) (or so much thereof as may be advanced or readvanced by the Bank to the Borrower from time to time hereafter, such amounts defined as the "Debit Balance" below), together with interest on each such advance from the date thereof at a rate per annum equal to (a) the Prime Rate (as defined below) or (b) the Money Market Rate (as defined below), as elected by the Borrower.

This Note is being executed and delivered in accordance with the terms of a certain Letter Agreement of even date between the Borrower and the Bank (the "Letter Agreement") and the documents defined therein as the "Loan Documents".

Until such time as this Note becomes due and payable, interest shall be payable monthly in arrears commencing on that date thirty (30) days from the date hereof (or on such other date as may be agreed upon by the Borrower and the Bank to provide for a convenient payment date) and continuing on the corresponding day of each succeeding month thereafter. All payments required under this Note shall be made by the Borrower to the Bank at 1155 Elm Street, Manchester, New Hampshire or such other place as the Bank may from time to time specify in writing in lawful currency of the United States of America in immediately available funds, without counterclaim, or setoff and free and clear of, and without any deduction or withholding for any taxes or other payments.

The maximum principal amount outstanding under this Note shall be limited to Sixteen Million Dollars (\$16,000,000). Pursuant to the Letter Agreement, there shall be due and payable from the Borrower to the Bank, and the Borrower shall immediately pay to the Bank, without demand, any amount by which the Debit Balance exceeds Sixteen Million Dollars (\$16,000,000).

As used herein, "Prime Rate" shall mean the variable per annum rate of interest so designated from time to time by the Bank as its Prime Rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer. Each time the Prime Rate changes, the interest rate hereunder shall change contemporaneously with such change in the Prime Rate without notice or demand of any kind.

As used herein, "Money Market Rate" shall mean the overnight or term money market facilities interest rate per annum which is communicated to the Borrower by the Bank in respect of an advance evidenced hereby and which is accepted by the Borrower for such advance evidenced hereby or which is so communicated and is hereby deemed to be so accepted as a result of the Borrower's failure either to communicate its nonacceptance thereof or to repay such advance on the date when made.

All amounts outstanding under the Line which the Borrower does not elect to be subject to the Money Market Rate shall bear interest at a variable annual rate equal to the Borrower's Prime Rate as provided hereinabove. Notwithstanding the foregoing provisions, the Borrower may not convert existing advances hereunder to Money Market Advances if at any time either an Event of Default or a payment Default exists under the Loan Documents. As used herein, "Money Market Advance" shall mean any amount outstanding under the Line as to which the Borrower has elected a Money Market Rate.

Interest at the Prime Rate and the Money Market Rate shall be billed and payable monthly in arrears, calculated on the basis of actual days elapsed over a three hundred sixty (360) day banking year on the unpaid principal balance outstanding from time to time. The Borrower shall pay the Bank an unused fee equal to one-quarter of one percent (0.25%) per annum of the daily average of unadvanced amounts under the Line (based upon the maximum available amount of \$16,000,000), determined and payable quarterly in arrears through and until the Annual Review Date. All payments shall be made in lawful currency of the United States of America in immediately available funds. The Bank is authorized to charge the Borrower's deposit account(s) maintained with the Bank to effect any payment on this Note.

The Following Business Day Convention shall be used to adjust any relevant date if that date would otherwise fall on a day that is not a Business Day. For the purposes herein, the term Following Business Day Convention shall mean that an adjustment will be made if any relevant date would otherwise fall on a day that is not a Business Day so that the date will be the first following day that is a Business Day. "Business Day" means, in respect of any date that is specified in this Loan Agreement or any Loan Document to be subject to adjustment in accordance with the Following Business Day Convention, a day on which commercial banks settle payments in (i) London, if the payment obligation is calculated by reference to LIBOR, or (ii) New York, if the payment obligation is calculated by reference to Prime Rate, CD Rate, or COF Rate. All payments hereunder or under any Loan Documents hereunder shall be adjusted in accordance with the Following Business Day Convention. All payments under the Loan Documents shall be applied first to the payment of all fees, expenses and other amounts due to the Bank (excluding principal and interest), then to accrued interest, and the balance on account of outstanding principal; provided, however, that after demand payments will be applied to the obligations of Borrower to Bank as Bank determines in its sole discretion.

Notwithstanding anything herein to the contrary, in the event that the interest rate hereunder, as aforesaid, violates any applicable usury or similar statute, the interest rate shall then automatically be deemed to be the highest rate of interest then permitted.

The Borrower agrees that the Bank may make loan advances to the Borrower upon verbal authority (which, if the Bank so requires, shall be followed by written confirmation) of any officer executing this Note on behalf of the

Borrower or any other officer of the Borrower who is authorized in writing to borrow money from the Bank and may deliver such advances by direct deposit to any deposit account of the Borrower with the Bank or otherwise as may be authorized in the Letter Agreement. All such advances shall represent binding obligations of the Borrower.

The Borrower's "Debit Balance" shall mean the debit balance in an account on the books of the Bank, maintained in the form of a ledger card, computer records or otherwise in accordance with the Bank's customary practice and appropriate accounting procedures wherein there shall be recorded the principal amount of all advances made by the Bank to the Borrower, all principal payments made by the Borrower to the Bank hereunder, and all other appropriate debits and credits (the "Loan Account"). The Bank shall render to the Borrower a statement of account with respect to the Loan Account on a monthly basis. Such statement shall indicate the Borrower's then current Debit Balance and any interest amounts due and payable from the Borrower to Bank. Such statement may be based on estimates of the principal amount outstanding and the interest rate for the applicable payment period. Any required adjustments between such estimates and actual amounts shall be reflected in subsequent statements.

The Borrower acknowledges that this Note is to evidence the Borrower's obligation to pay the Debit Balance, plus interest, as determined from time to time and that it shall continue to do so despite the occurrence of intervals when no Debit Balance exists because the Borrower has paid the previously existing Debit Balance in full.

This Note is a DEMAND OBLIGATION. At the option of the Bank, this Note shall become immediately due and payable in full, without further demand or notice, on the earlier of (i) demand by the Bank, or (ii) the occurrence of an Event of Default (as defined below).

If the entire amount of any required principal and/or interest is not paid in full within ten (10) days after the same is due, Borrower shall pay to Bank a late fee equal to five percent (5%) of the required payment. Upon default (whether or not Bank has accelerated payment of this Note), upon demand or after maturity or after judgment has been rendered on this Note, the unpaid principal of all advances shall, at the option of Bank, bear interest at a rate which is two percentage (2%) points per annum greater than that which would otherwise be applicable. The Borrower agrees to pay on demand all reasonable out-of-pocket costs of collection hereof, including reasonable attorneys' fees, whether or not any foreclosure or other action is instituted by the Holder in its discretion.

The Borrower hereby acknowledges that its liability to the Bank under the Line is a DEMAND OBLIGATION and that nothing herein shall alter or otherwise affect the ability of the Bank to demand payment in full of the same. Subject to the foregoing, if any of the following events of default shall occur ("Event of Default"): (a) default in the payment or performance of any of the Obligations or of any obligations of any Obligor to others for borrowed money or in respect of any extension of credit or accommodation; (b) failure of any representation or warranty, statement or information in any documents or financial statements delivered to the Holder for the purpose of inducing it to make or maintain any loan under this Note to be true and correct; (c) failure of the undersigned to file any tax return, or to pay or remit any tax, when due, unless the undersigned contests the particular tax in good faith, and also maintains adequate reserves to pay such tax, if unsuccessful in its action to contest; (d) failure to furnish the Holder promptly on request with financial information about, or to permit inspection by the Holder of books, records and properties to any Obligor; (e) any Obligor generally not paying its debts as they become due; (f) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver or other custodian of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings (except for an involuntary bankruptcy petition against any Obligor to which such Obligor files a proper answer thereto pursuant to Section 303(d) of the Bankruptcy Code (11 USC 303(d)) within ten (10) days of receipt of notice of said proceeding, which answer shall include a request that petitioning creditors post adequate bond under Section 303(e) (11 USC 303(e)) under any bankruptcy or insolvency laws by or against, any Obligor; (g) a material adverse change in the condition or affairs (financial or otherwise) of any Obligor which in the opinion of the Holder will impair its security or increase its risk including but not limited to any reduction of any Obligor's tangible net worth by more than 10% from its level at the previous fiscal year end or the occurrence of operating losses for any consecutive twelve month period; then the Holder shall give written notice of such default and if such default is not cured within five business days of delivery of such notice then immediately and automatically with respect to any Defaults set forth in clauses (e) and (f) above, and thereupon or at any time thereafter with respect to each other Default (such Default not having been previously cured), at the option of the Holder, all Obligations of the Obligor shall become immediately due and payable without demand, and, if there is any collateral for the Obligations, the Holder shall then have in any jurisdiction where enforcement hereof is sought, in addition to all other rights and remedies the rights and remedies of a secured

party under the Uniform Commercial Code as in effect in the State of New Hampshire.

As used herein, "Obligation" means any obligation hereunder or otherwise of any Obligor to the holder whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

Borrower hereby grants to the Bank, a continuing lien, security interest and right of setoff as security for all liabilities and obligations to the Bank, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of the Bank or any entity under the control of FleetBoston Financial Corporation, or in transit to any of them. At any time, without demand or notice (any such notice being expressly waived by Borrower), the Bank may set off the same or any part thereof and apply the same to any liability or obligation of the Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Line. ANY AND ALL RIGHTS TO REQUIRE THE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOANS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

BORROWER AND BANK (BY ACCEPTANCE OF THIS NOTE) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREIN, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF BANK RELATING TO THE ADMINISTRATION OF THE LOANS OR ENFORCEMENT OF THE LOAN DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BANK TO ACCEPT THIS NOTE AND MAKE THE LOAN.

No delay or omission on the part of the Holder in exercising any right, privilege or remedy shall impair such right, privilege or remedy or be construed as a waiver thereof or of any other right, privilege or remedy. No waiver of any right, privilege or remedy or any amendment to this Note shall be effective unless made in writing and signed by the Holder. Under no circumstances shall an effective waiver of any right, privilege or remedy on any one occasion constitute or be construed as a bar to the exercise of or a waiver of such right, privilege or remedy on any future occasion. The acceptance by the Holder hereof of and payment after any default hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the Holder hereof under this Note.

This Note and the Loan Documents together are intended by the parties as the final, complete and exclusive statement of the transactions evidenced by this Agreement and Loan Document. All prior or contemporaneous promises, agreements and understandings, whether oral or written, are deemed to be superceded by the Loan Documents, and no party is relying on any promise, agreement or understanding not set forth in the Loan Documents. The Loan Documents may not be amended or modified except by a written instrument describing such amendment or modification executed by Borrower and Bank.

All rights and remedies of the Holder, whether granted herein or otherwise, shall be cumulative and may be exercised singularly or concurrently, and the Holder shall have, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of New Hampshire.

The Borrower waives, to the fullest extent permitted by law, presentment, notice, protest and all other demands and notices and assent (1) to any extension of the time of payment or any other indulgence, (2) to any substitution, exchange or release of collateral, and (3) to the release of any other person primarily or secondarily liable for the obligations evidenced hereby.

Bank may at any time pledge or assign all or any portion of its rights under the Loan Documents including any portion of the promissory note to any twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. Section 341. No such pledge or assignment or enforcement thereof shall release Bank from its obligations under any of the Loan Documents.

Bank shall have the unrestricted right at any time or from time to time, and without Borrower's consent, to assign all or any portion of its rights and

obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), and Borrower agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments to this Agreement and to any other documents, instruments and agreements executed in connection herewith as Bank shall deem necessary to effect the foregoing. In addition, at the request of Bank and any such Assignee, Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if Bank has retained any of its rights and obligations hereunder following such assignment, to Bank, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the promissory note held by Bank prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and bank after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by Bank in connection with such assignment, and the payment by Assignee of the purchase price agreed to by Bank, and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of Bank hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Bank pursuant to the assignment documentation between Bank and such Assignee, and Bank shall be released from its obligations hereunder and thereunder to a corresponding extent. Borrower may furnish any information concerning Borrower in its possession from time to time to prospective Assignees, provided that Bank shall require any such prospective Assignees to agree in writing to maintain the confidentiality of such information.

Bank shall have the unrestricted right at any time and from time to time, and without consent of or notice to Borrower, to grant to one or more banks or other financial institutions (each a "Participant") participating interests in any or all of the loans held by Bank hereunder. In the event of any such grant by Bank of a participating interest to a participant, whether or not upon notice to Borrower, Bank shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with Bank in connection with Bank's rights and obligations hereunder. Bank may furnish any information concerning the Borrower in its possession from time to time to prospective Participants, provided that Bank shall require any such prospective Participant to agree in writing to maintain the confidentiality of such information.

The Borrower shall pay on demand all expenses of the Bank in connection with the preparation, administration, default, collection, waiver or amendment of loan terms, or in connection with Bank's exercise, preservation or enforcement of any of its rights, remedies or options hereunder, including, without limitation, fees of outside legal counsel or the allocated costs of in-house legal counsel, accounting, consulting, brokerage or other similar professional fees or expenses and any fees or expenses associated with travel or other costs relating to any appraisals or examinations conducted in connection with the loan or any collateral therefor, and the amount of all such expenses shall, until paid, bear interest at the rate applicable to principal hereunder (including any default rate) and be an obligation secured by any collateral.

Upon receipt of an affidavit of an officer of Bank as to the loss, theft, destruction, or mutilation of this Promissory Note or any other security documents which are not of public record, and in the case of any such loss, theft, destruction or mutilation, upon cancellation of such note or other security documents, Borrower will issue, in lieu thereof, a replacement note or other security document in the same principal amount thereof and otherwise of like tenor.

All agreements between Borrower and Bank are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to Bank for the use or the forbearance of indebtedness evidenced hereby exceed the maximum permissible under law. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof; provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then this document shall be governed by such new law as of its effective date. In this regard, it is expressly agreed that it is the intent of Borrower and Bank in the execution, delivery and acceptance of this document to contract in strict compliance with the laws of the State of New Hampshire from time to time in effect. If, under or from any circumstances whatsoever, fulfillment of any provision hereof or of any of the loan documents at the time of performance of such provision shall be due, shall involve transcending the limit of such validity prescribed by applicable law, then the obligation to be fulfilled shall automatically be reduced to limits of such validity, and if under or from circumstances whatsoever Bank should ever receive as interest in an amount which would exceed the highest lawful rate, such amount would be excessive interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between Borrower

and Bank.

This Note and the provisions hereof shall be binding upon the Borrower and the Borrower's heirs, administrators, executors, successors, legal representatives and assigns and shall inure to the benefit of the Holder, the Holder's heirs, administrators, executors, successors, legal representatives and assigns.

This Note may not be amended, changed or modified in any respect except by a written document which has been executed by each party. This Note constitutes a New Hampshire contract under seal and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of New Hampshire (excluding the laws applicable to conflicts or choice of law).

IN WITNESS WHEREOF, the Borrower, acting by and through its duly authorized officers, has executed this Promissory Note on this 18th day of September, 2000.

UNITIL CORPORATION

Witness By: _____
Anthony J. Baratta, Jr., Its Duly Authorized Sr.
Vice President and Chief Financial Officer

UNITIL CORPORATION

Witness By: _____
Mark H. Collin, Its Duly Authorized
Treasurer

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM

The foregoing instrument was acknowledged before me this 18th day of September, 2000, by Anthony J. Baratta, Jr., duly authorized Senior Vice President and Chief Financial Officer of Unutil Corporation, a New Hampshire corporation, on behalf of same.

Notary Public
My Commission Expires:
Notary Seal:

STATE OF NEW HAMPSHIRE
COUNTY OF ROCKINGHAM

The foregoing instrument was acknowledged before me this 18th day of September, 2000, by Mark H. Collin, duly authorized Treasurer of Unutil Corporation, a New Hampshire corporation, on behalf of same.

Notary Public
My Commission Expires:
Notary Seal:

August 30, 2000

Mark H. Collin, Treasurer
UNITIL CORP.
6 Liberty Lane West
Hampton, New Hampshire 03842

Dear Mark:

This letter agreement sets forth the terms under which Citizens Bank New Hampshire (the "Bank") will make available to UNITIL Corporation (the "Borrower") a Line of Credit for up to \$5,000,000.00 until August 31, 2001 (the "Line").

Any loan under this Line will bear interest (computed on a 360 day per year basis) at the Alternate Base Rate as in effect on the date of the particular loan. For this Line, Alternate Base Rate means, for each loan, the London Interbank Offered Rate ("LIBOR") for the term of the loan [not to exceed ninety (90) days] as in effect on the date of the loan plus four-tenths of one percent per annum.

Each loan must be not less than \$500,000.00. This Line is available subject to Bank's continued satisfaction with the financial condition of Borrower and its subsidiaries and to no substantive changes in monetary or governmental regulations. Borrower shall deliver to Bank: annual report and 10K report by April 30; and 10-Q by ninety (90) days after the close of each calendar quarter.

The Borrower shall establish and fund an account with the Bank which the Bank may debit for payments due, quarterly fees, and other amounts due. Loan advances will be made upon telephone request by officers designated in writing by Borrower and shall be deposited by Bank into the account.

Loans will be evidenced by a Promissory Note in the form attached hereto. Each loan and the corresponding information (date, amount, maturity date, and interest rate) will be recorded the date of this telephone request. Bank's corresponding advices of credit and debit will be additional evidence of loans in the format described above, and Borrower agrees that absent manifest error this record shall be conclusive and binding.

Borrower acknowledges that Bank has disclosed the following finance charges in connection with this loan: interest at the rate set forth above and in the Note.

If the foregoing satisfactorily sets forth the terms and conditions of this lending arrangement, please indicate your acceptance thereof by executing and returning the attached copy of this letter and the attached Promissory Note.

We are pleased to provide this Line of Credit and look forward to the ongoing development of our relationship.

Sincerely,

CITIZENS BANK NEW HAMPSHIRE

By: _____
Its:

AGREED AND ACCEPTED:
UNITIL CORPORATION

By: _____
Mark H. Collin, Treasurer

By: _____
Anthony Baratta, Chief Financial Officer

PROMISSORY NOTE

\$5,000,000.00

Portsmouth, NH
August 30, 2000

FOR VALUE RECEIVED, the undersigned UNITIL CORPORATION hereby promises to pay to the order of CITIZENS BANK NEW HAMPSHIRE (the "Bank"), at the office of the Bank in Portsmouth, New Hampshire, the aggregate principal amount of all loans made by the Bank to the undersigned pursuant to the Letter Agreement between the Bank and the undersigned dated August 30, 2000, as shown in the schedule attached hereto (the "Note Schedule"), together with interest on each loan from the date such loan is made until the maturity thereof at the applicable rate set forth in the Note Schedule. The principal amount of each loan shall be payable on the maturity date of such loan as indicated in the Note Schedule, and, in any event, the aggregate outstanding principal amount of all loans hereunder shall be due and payable on August 31, 2001. Interest on the principal amount of each loan shall be payable on the same date as the principal amount is due.

All loans under this Note will bear interest (computed on a 360 day per year basis) at the Alternate Base Rate as in effect from time to time. Alternate Base Rate means, for each loan, the London Interbank Offered Rate ("LIBOR") for the term of the loan [which must be selected by the undersigned at the time of the loan and shall not exceed ninety (90) days] as in effect on the date of the loan plus four-tenths of one percent per annum. All payments shall be made in lawful currency of the United States of America in immediately available funds.

Principal not paid when due shall bear interest from the maturity date, payable on demand and compounded monthly, at a rate per annum equal to two percent above the Alternate Base Rate.

Any principal paid prior to its maturity date shall nevertheless bear interest at the designated rate through the maturity date which interest shall be paid as a prepayment fee on or before the maturity date.

If any of the following events of default shall occur ("Defaults"): (a) default in the payment or performance of any of the Obligations or of any obligation of the Obligor or its subsidiaries to others for borrowed money or in respect of any extension of credit or accommodation which shall continue uncured for any applicable grace period; (b) failure of any material representation or warranty, statement, or information in any documents or financial statements delivered to the Bank for the purpose of inducing it to make or maintain any loan under this Note to be true and correct; (c) failure of the undersigned to file any tax return, or to pay or remit any tax, when due, except for taxes which UNITIL Corporation is actively disputing and as to which UNITIL Corporation is maintaining adequate reserves in accordance with Generally Accepted Accounting Principles; (d) failure to furnish the holder promptly on request with financial information about or to permit reasonable inspection by the holder of books, records and properties of the Obligor; (e) the Obligor or its subsidiaries generally not paying its debts as they become due; (f) dissolution, termination of existence, insolvency, business failure, appointment of a receiver or other custodian of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against, the Obligor or its subsidiaries; (g) change in the condition or affairs (financial or otherwise) of the Obligor or its subsidiaries which in the opinion of the holder will impair its security or increase its risk; thence immediately and automatically with respect to any Defaults set forth in clauses (e) and (f) above, and thereupon or at any time thereafter, with respect to each other Default (such Default not having been previously cured), at the option of the holder, all Obligations of the undersigned shall become immediately due and payable without notice or demand and Bank shall have no further duty to make any additional loans.

The Obligor waives presentment, demand, notice of dishonor, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence under this Note.

As used herein "Obligor" means any person primarily or secondarily liable hereunder or in respect hereto; "Obligation" means any obligation hereunder or otherwise of any Obligor to the holder, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising; and "holder" means the payee or any endorsee of this Note who is in possession of it, or the bearer hereof if this Note is at the time payable to the bearer.

No delay or omission on the part of the holder in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note. No waiver of any right shall be effective unless in writing and signed by the holder nor shall a waiver on one occasion be construed as a bar to or waiver of any such right or any future occasion.

The undersigned will pay on demand all costs of collection and attorneys' fees paid or incurred by the holder in enforcing the Obligations of the Obligor. Upon any advance under this Note, the Obligor is immediately required to provide an executed copy of the Note including the date of the advance, the principal amount of the advance, the maturity date, and the interest rate.

This instrument shall have the effect of an instrument executed under seal and shall be governed by and construed in accordance with the laws of the State of New Hampshire.

UNITIL CORPORATION

By: _____
Mark H. Collin, Treasurer

By: _____
Anthony Baratta, Chief Financial Officer

SCHEDULE TO PROMISSORY NOTE

OF UNITIL CORPORATION

Date of Loan - - - -	Principal Amount of Loan - - - -	Maturity Date - - - -	Interest Rate - - - -	Date and Amount of Payment Received - - - - -	Notation Made by - - - - -
----------------------------	---	-----------------------------	-----------------------------	---	----------------------------------

Sovereign

SOVEREIGN BANK NEW ENGLAND

A Division of Sovereign Bank

September 25, 2000

Mr. Mark Collin, Vice President
Unitil Corp.
6 Liberty Lane West
Hampton, NH 03842-1720

Dear Mark:

We are pleased to advise you that Sovereign Bank (the "Bank") has approved an unsecured line of credit in the maximum principal amount of Four Million Dollars (\$4,000,000) (the "Line") for Unitil Corporation (the "Borrower") subject to the Bank's periodic review. Unless renewed, this line will expire on June 30, 2001 (the "Annual Review Date").

This letter, together with the related Line of Credit Promissory Note (the "Note") of near or even date (collectively, the "Loan Documents"), shall serve as our agreement concerning the terms and conditions of your borrowing under the Line.

1) Principal Advances. The Borrower may request principal advances from the Bank from time to time, provided that any given principal advance shall not cause the Borrower's liability to exceed \$4,000,000.00. Such request shall be granted on the day such request is received, provided that a) such request is received by 2:00 p.m. on a Bank business day, and b) the Bank is reasonably satisfied that the conditions set forth in this Agreement have been satisfied. The Bank shall credit the amount of the request to the designated account of the Borrower in immediately payable funds.

Advances hereunder will be made only if in the opinion of the Bank there has been no negative material change of circumstances and if there exists no default under any loan documentation executed by you. The Bank retains the right to refuse at any time any borrowing request hereunder.

All loans will be made by crediting the proceeds thereof to your demand deposit account maintained at the Bank, which account should be established prior to any advances under the line.

2) Interest. Borrowings under the Line accrue interest at the following rates:

(1) Our "Prime Rate" as announced from time to time; or

(2) a fixed rate based on an index plus a margin to be determined by the Bank from time to time. Such indexes shall be the "LIBOR rate", as set forth in the Note, or our "Cost of Funds Rate", as set forth in the Note.

Unless the LIBOR or Cost of Funds rate is specifically elected, the Prime Rate shall apply.

Each rate will be as determined by the Bank by 10:00 a.m. on the day of the requested borrowing. Each borrowing under this line by you must specify the amount of the loan requested, the rate requested and the maturity requested.

Borrowings at LIBOR rates may be requested for maturities of one, two, or three month periods, but no such period shall exceed the Annual Review Date. Borrowings at the Cost of Funds rate may be requested for maturities of 1 (one) or 7 (seven) day periods, but no such periods shall exceed the Annual Review Date.

Borrowings under the LIBOR or Cost of Funds rate options must be in minimum increments of \$1,000,000 or greater multiples of \$100,000, and your ability to prepay such borrowings is subject to a requirement that you compensate us for any funding losses and other costs (including lost profits) incurred as a result of such prepayment, as set forth in the Note.

Borrowings at LIBOR or Cost of Funds rates are subject to the availability of funding sources and the continued legality of our offering such pricing option.

3) Borrowing Rate Option. The Borrower may, from time to time, elect to adjust the interest rate applicable to the Borrower's outstanding principal balance from the Prime Rate to either of the rates designated at the Bank's discretion as of such date as its LIBOR or Cost of Funds rates. The LIBOR and Cost of Funds rates shall be the sum of such respective index (as defined in the Note) plus a

margin to be chosen by the Bank. The LIBOR and Cost of Funds rates for any given day on which the Bank is open for regular banking business shall be available from the Bank by 10:00 a.m. on each such day.

Should the Borrower elect to have the Daily Borrowing Rate Option available, which shall include daily fax notification of the then-available rate, a monthly service fee of \$300 shall be charged to the Borrower by the Bank for any month during which such availability is elected.

4) Bank Records Conclusive. All borrowings shall be evidenced by the Line of Credit Promissory Note in the form attached and requiring execution prior to initiation of the Line. Each borrowing and the corresponding information will be recorded in our computer data files. Our corresponding records of debits and credits will be additional evidence of borrowings. You authorize us to keep the official record or borrowing, under these facilities and you agree that, absent manifest error, this record shall be conclusive and binding.

5) Default Rate. Upon demand or Default or after maturity or after judgment has been rendered on this Loan Agreement, or in the Event of Default as defined in the Note, Borrower's right to select pricing options shall cease and the unpaid principal of all advances shall, at the option of the Bank, bear interest at a rate which is four (4) percentage points per annum greater than the Prime Rate ("Default rate").

6) Automatic Payments. Borrower hereby authorizes Bank to automatically deduct from Borrower's account designated for such purpose the amount of any loan payment ("Automatic Payments"). If the funds in the account are insufficient to cover any payment, Bank shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Bank may voluntarily terminate Automatic Payments.

7) Conditions of Lending.

Initial Loan. The agreement of the Bank to provide the Line hereunder is subject to the following conditions precedent:

(A) The Bank shall have received a certified copy of all corporate action taken by the Borrower to authorize the execution, delivery, and performance of the Loan Documents and the borrowing by it hereunder, and such other papers as the Bank shall reasonably require on the form or forms provided by the Bank.

(B) Should the Bank so require, the Bank shall have received an opinion of counsel to the Borrower, in form and substance satisfactory to the Bank and to McLane, Graf, Raulerson & Middleton, P.A., counsel to the Bank, as to the matter referred to in paragraphs 9 (A), (B), (C) and (F) hereof, and further to the effect that this Agreement has been duly authorized, executed, and delivered and is a legal, valid, binding, and enforceable agreement of the Borrower.

(C) Any other conditions precedent required under the Bank's Commitment Letter for this loan.

8) Covenants. So long as this Line shall be outstanding and until the payment in full of all sums outstanding hereunder and the performance of all other obligations of the Borrower hereunder, the Borrower agrees that, unless the Bank shall otherwise consent in writing:

A. Financial Reportings. The Borrower shall provide to the Bank:

(1) within ten (10) days of filing for each fiscal year of the Borrower, copies of the Borrower's 10K filing and Annual Report for such fiscal year.

(2) within ten (10) days of filing for each quarter of each fiscal year of the Borrower, copies of Borrower's 10-Q filing for such quarters.

B. Reorganizations, Acquisitions; Change of Name. The Borrower will not, and will not permit any subsidiary to, (i) merge or consolidate with or into any corporation, or sell, lease, transfer, or otherwise dispose of all or any substantial part of its assets (except in the ordinary course of business), whether now owned or hereafter acquired, or (ii) change its corporate name.

C. Notice of Default. The Borrower shall promptly notify the Bank of any condition or event which constitutes, or would constitute with the passage of time or giving of notice or both, an Event of Default, and promptly notify the Bank of any changes in the financial condition of the Borrower which, individually or cumulatively, may result in a material adverse change in the financial condition of the Borrower.

D. Compliance with Laws and Regulations. The Borrower shall comply with all applicable laws, ordinances, regulations, and other requirements of any jurisdiction or agency having or claiming authority over the Borrower or any transaction of the Borrower or any transaction arising pursuant to this

Agreement.

9) Representations and Warranties. Except as specifically permitted by the Bank in writing the Borrower represents and warrants to Bank, and such representations and warranties shall be continuing representations and warranties so long as any amounts shall be outstanding pursuant to this Agreement, as follows:

A. Organization. Borrower has being duly incorporated and organized and is existing as a corporation in good standing under the laws of New Hampshire, and is duly qualified and in good standing as a foreign corporation in those jurisdictions where the conduct of its business or the ownership of its properties requires qualification, and has filed all legally required business activities reports, returns, etc. in such jurisdictions; Borrower has the power and authority to enter into and perform the Loan Documents, and any other document or instrument delivered in connection herewith.

B. Corporate and Regulatory Authority. The making and performance by the Borrower of the Loan Documents have been duly authorized by all necessary corporate and regulatory action and will not violate any provision of law or of its Articles of Incorporation by bylaws.

C. Financial Condition. The reports, including balance sheets and statements of income and retained earnings of the Borrower and its subsidiaries, heretofore and henceforth furnished to the Bank, are complete and correct and fairly represent the financial condition of the Borrower and its subsidiaries as at the dates of said financial statements and the results of their operations for the periods ending on said dates. Neither the Borrower nor any of its subsidiaries has any material contingent obligations, liabilities for taxes, long-term leases, or unusual forward or long-term commitments not disclosed by, or reserved against in, said balance sheets or the notes thereto; and at the present time there are no material unrealized or anticipated losses from any unfavorable commitments of the Borrower or any subsidiary. Said financial statements were prepared in accordance with generally accepted principles and practices of accounting consistently maintained throughout the periods involved. Since the date of the latest of such statements there has been no material adverse change in the financial condition of the Borrower and its subsidiaries from that set in said balance sheets as at that date.

D. Taxes. Borrower has filed all federal, state and local tax returns and other reports it is required to file, and has paid or made adequate provision for payment of all such taxes, assessments and other governmental charges.

E. Litigation. There are no suits or proceedings pending, or to the knowledge of the Borrower threatened against or affecting the Borrower or any of its subsidiaries, and there are no proceedings by or before any governmental commission, board, bureau, or other administrative agency pending or, to the knowledge of the Borrower, threatened, against the Borrower or any of its subsidiaries which, if adversely determined, would have a material adverse effect on the financial condition or business of the Borrower or its subsidiaries.

F. Not Misleading. No representation, warranty or statement by Borrower contained herein or in any certificates or other document finished or to be furnished by Borrower pursuant hereto contains or at the time of delivery shall contain any untrue statement of material fact, or omits, or shall omit at the time of delivery to state a material fact necessary to make it not misleading.

10) Federal Reserve. Bank may at any time pledge, endorse, assign, or transfer all or any portion of its rights under the Loan Documents including any portion of the Promissory Note to any of the twelve (12) Federal Reserve Banks organized under Section 4 of the Federal Reserve Act. 12.U.S.C. Section 341. No such pledge or enforcement thereof shall release Bank from its obligations under any of the Loan Documents.

11) Third Party Purchaser. Bank shall have the unrestricted right at any time or from time to time, and without Borrower's consent, to sell, assign, endorse, or transfer all or any portion of its rights and obligations hereunder to one or more banks or other entities (each, an "Assignee") and, Borrower agrees that it shall execute, or cause to be executed such documents including without limitation, amendments to this Agreement and to any other documents, instruments and agreements executed in connection herewith as Bank shall deem necessary to effect the foregoing. In addition, at the request of Bank and any such Assignee, Borrower shall issue on or more new promissory notes, as applicable, to any such Assignee and, if Bank has retained any of its rights and obligations hereunder following such assignment, to Bank, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the note held by Bank prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and Bank after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by

Bank in connection with such assignment, and the payment by Assignee of the purchase price agreed to by Bank and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of Bank hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by Bank pursuant to the assignment documentation between Bank and Assignee, and Bank shall be released from its obligations hereunder and thereunder to a corresponding extent.

12) Participation. Bank shall have the unrestricted right at any time and from time to time, and without the consent of or notice to Borrower to grant to one or more institutions or other persons (each a "Participant") participating interests in Bank's obligations to lend hereunder and/or any or all of the loans held by Bank hereunder. In the event of any such grant by Bank of a participating interest to a Participant; whether or not upon notice to Borrower, Bank shall remain responsible for the performance of its obligations hereunder and Borrower shall continue to deal solely and directly with Bank in connection with Bank's rights and obligations hereunder.

Bank may furnish any information concerning Borrower in its possession from time to time to any prospective assignees and Participants, provided that Bank shall require any such prospective assignee or Participant to maintain the confidentiality of such information.

13) Right to Set Off. Borrower hereby grants to Bank a lien, security interest and a right of setoff as security for all liabilities and obligations to Bank, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank, or in transit to any of them. At any time, without demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the loan. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED. Bank shall not be required to marshal any present or future security for, or guarantees of, the obligations or to resort to any such security or guarantee in any particular order and the Borrower waives, to the fullest extent that it lawfully can, (a) any right they might have to require the Bank to pursue any particular remedy before proceeding against them and (b) any right to the benefit of, or to direct the application of the proceeds of any collateral until the obligations are paid in full.

14) Replacement Documents. Upon receipt of an affidavit of an officer of Bank as to the loss, theft, destruction or mutilation of the Note or any other security document(s) which is not of public record and, in the case of any such destruction or mutilation, upon surrender and cancellation of such Note or other document(s), the Borrower will issue, in lieu thereof, a replacement Note or other document(s) in the same principal amount thereof and otherwise of like tenor.

15) Waiver of Jury Trial. Borrower and Bank mutually hereby knowingly, voluntarily and intentionally waive the right to a trial by jury in respect of any claim based hereon, arising out of, under or in connection with this Agreement or any other documents contemplated to be executed in connection herewith or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party. This waiver constitutes a material inducement for Bank to accept this Agreement and make the Loan.

16) Fees. The Borrower shall assume responsibility for all legal and other out of pocket expenses incurred in the documentation of this commitment and in addition shall pay the Bank an annual commitment fee of \$1,500.

17) Waiver. The failure of Bank at any time or times hereafter to require strict performance by Borrower of any of the provisions, warranties, terms and conditions contained in the Loan Documents or in any other agreement, guaranty, note, instrument or document now or at any time or times hereafter executed by Borrower and delivered to Bank shall not waive, affect or diminish any right of Bank at any time or times thereafter to demand strict performance thereof; and no rights of Bank hereunder shall be deemed to have been waived by any act or knowledge of Bank, its agents, officers or employees, unless such waiver is contained in an instrument in writing signed by an officer of Bank and directed to Borrower specifying such waiver. No waiver by Bank of any of its rights shall operate as a waiver of any other of its rights or any of its rights on a future occasion.

18) Capital Adequacy. If after the day hereof, the Bank determines that (i) the adoption of any applicable law, rule or regulation of regarding requirements for banks or bank holding companies in subsidiaries thereof; (ii) any change in the interpretation or administration of any such law, rule or regulation by any

governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof; or (iii) compliance by Bank or its holding company with any request or directive of any governmental authority, central bank, or comparable agency regarding capital adequacy (or not having a force of law), has the effect of reducing the return on the Bank's capital to a level below that which Bank could have achieved (taking into account the Bank's and its holding company's policies with respect to capital adequacy and immediately before such adoption, change or compliance and assuming that Bank's capital was fully utilized prior to such adoption, change or compliance) but for such adoption, change or compliance as a consequence of the Bank's commitment to make advances pursuant hereto by any amount deemed by the Bank to be material; then Bank shall promptly, after Bank's determination of such occurrence, give notice to the Borrower, and the Borrower shall pay to the Bank as an additional fee from time to time on demand, such amount as Bank certifies to be the lowest amount that will be required to compensate the Bank for any such reduction. A certificate from the Bank claiming entitlement to compensation as provided in this Section shall be conclusive in the absence of manifest error. Said certificate will be delivered to the Borrower and shall set forth the nature of the occurrence giving rise to any such need for compensation, the additional amount or amounts to be paid to the Bank, and the method by which such amounts were determined. In determining any such amount, the Bank may use any reasonable averaging or attribution method. Any adjustment will be no greater than that calculated to be proportionate to the Borrower's loan in relationship to the rest of the Bank's loan portfolio of similar risk.

19) Notice. Any demand or notice required or permitted to be given hereunder shall be deemed effective when delivered in the United States mail, and sent by certified mail, return receipt requested, postage prepaid, addressed to Bank at Bank's address or to Borrower at Borrower's address, as applicable, or to such other address as may be provided by the party to be notified, on ten (10) days prior written notice to the other party.

20) Entire Understanding. The Loan Documents contain the entire understanding between the parties hereto with respect to the transactions contemplated herein and such understanding shall not be modified except in writing signed by or on behalf of the parties hereto.

21) Severability. Wherever possible, each provision of the Loan Documents shall be interpreted in such manner as to be effective and valid under applicable law; should any portion of any of the Loan Documents be declared invalid for any reason in any jurisdiction, such declaration shall have no effect upon the remaining portions of the Loan Documents; furthermore, the entirety of the Loan Documents shall continue in full force and effect in all other jurisdictions, Said remaining portions of the Loan Documents shall continue in full force and effect in the subject jurisdiction as if this Agreement had been executed with the invalid portions thereof deleted.

22) Non-Assignability. The provisions of the Loan Documents shall be binding upon and shall inure to the benefit of the heirs, administrators, successors and assigns of Bank and Borrower; provided, however, Borrower may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the Bank.

23) Jurisdiction. The Loan Documents are and shall be deemed to be contracts entered into and made pursuant to the laws of the State of New Hampshire and shall in all respects be governed, construed, applied and enforced in accordance with the laws of said state; in the event that the Bank brings any action hereunder in any court of record of New Hampshire or the Federal Government, Borrower consents to and confers personal jurisdiction over Borrower by such court or courts and agrees that service of process may be made upon Borrower by mailing a copy of the summons to Borrower at Borrower's address; and in any action hereunder Borrower waives the right to demand a trial by jury.

24) Costs of Counsel. If, prior hereto and/or at any time or times hereafter, Bank shall employ counsel in connection with the execution and consummation of the transactions contemplated by any or all of the Loan Documents or to commence, defend or intervene, file a petition, complaint, answer, motion or other pleadings, or to take any other action on or with respect to any suit or proceeding (bankruptcy or otherwise) relating to any Loan Documents or any other agreement, guaranty, note, instrument or document heretofore, now or at any time or times hereafter executed by Borrower and delivered to Bank, or to enforce any rights of Bank hereunder, whether before or after the occurrence of any Event of Default, or to collect any of the Obligations, then in any of such events, all of the reasonable attorneys' fees arising from such services, and any expenses, costs and charges relating thereto, shall be part of the outstanding balance, payable on demand.

25) Counterparts. Any of the Loan Documents may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

26) Succession. Each reference herein to Bank shall be deemed to include its successors and assigns, and each reference to Borrower and any pronouns referring thereto as used herein shall be construed in the masculine, feminine, neuter, singular or plural, as the context may require, and shall be deemed to include the legal representatives, successors and assigns of Borrower, all of which shall be bound by the provisions hereof. The term "Borrower" as used herein shall, if this Agreement is signed by more than one Borrower, mean, unless this Agreement otherwise provides or unless the context otherwise requires, the "Borrower and each of them" and each and every representation, promise, agreement and undertaking shall be joint and several, except that the granting of the security interest, right of set-off and lien shall be by each Borrower in its several respective property. In the event that there is more than one Borrower, any loan which is secured by this Agreement, shall be deemed to be made at the request of and for the benefit of each Borrower.

27) Headings. The section headings herein are included for convenience only and shall not be deemed to be a part of this Agreement.

28) Costs. The Borrower will pay, whether or not any Advance is made hereunder, all out-of-pocket expenses of the Bank in connection with the preparation, execution, and delivery hereof and of any Advance, including reasonable fees and disbursements of counsel to the Bank.

If the foregoing satisfactorily sets forth the terms and conditions of the Line, please indicate your agreement by executing and returning this letter and the attached Line of Credit Promissory Note.

We continue to enjoy working with Unitil Corp. and look forward to further expanding upon our long-standing and mutually beneficial relationship.

SOVEREIGN BANK NEW ENGLAND

By: _____
David A. Canedy, Vice President

Witness

The above terms are hereby understood and accepted as of this 25th day of September, 2000:

UNITIL CORPORATION

By: _____
Mark H. Collin, Treasurer

Witness

LINE OF CREDIT PROMISSORY NOTE

\$4,000,000

September 25, 2000
Nashua, New Hampshire

FOR VALUE RECEIVED, UNITIL CORPORATION, a New Hampshire corporation with a principal place of business at 6 Liberty Lane West, Hampton, New Hampshire, 03842 (the "Borrower") (the Borrower and all other persons primarily or secondarily liable hereunder or in respect hereto are sometimes referred to herein as the "Obligor"), hereby promises to pay, ON DEMAND, to the order of SOVEREIGN BANK, with an office at 223 Main Street, Nashua, New Hampshire, 03060 (the "Bank") (the Bank and any subsequent transferee of this Note, whether taking by negotiation or otherwise, are sometimes referred to herein as the "Holder") at such place of business or such other place as may be designated hereafter by the holder hereof, the principal sum of Four Million Dollars (\$4,000,000.00) (or so much thereof as may be advanced or readvanced by the Bank to the Borrower from time to time hereafter, such amounts defined as the "Debit Balance" below), together with interest on each such advance from the date thereof at a rate per annum equal to (a) the "Prime Rate" or (b) the LIBOR rate, or (c) the Cost of Funds rate, as elected by the Borrower pursuant to the Letter Agreement of even date. All payments shall be made in lawful money of the United States of America, in immediately available funds.

This Note is being executed and delivered in accordance with the terms of a certain Letter Agreement of even date between the Borrower and the Bank (the "Letter Agreement") and the documents defined therein as the "Loan Documents".

Until such time as this Note becomes due and payable, the Borrower shall pay to the Bank the sum of the Interest Period Interest Charges (as set forth below)

monthly in arrears commencing on or by the like-numbered date of the next month from the date hereof (or on such other date as may be agreed upon by the Borrower and the Bank to provide for a convenient payment date) and continuing on or by the corresponding day of each succeeding month thereafter.

If any due date falls on a non-Business Day, the payment shall be due on the next Business Day. A "Business Day" shall mean, with respect to any date that is specified in this Note to be subject to adjustment in accordance with applicable Business Day convention, (i) a day on which commercial banks settle payments in New York or London if the payment obligation is calculated by reference to any LIBOR Rate, or (ii) in any other case, any day on which the Bank is open for business.

The "Modified Following Business Day Convention" shall mean the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Modified Following Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that the date will be the first following day that is a Business Day.

Interest Calculation.

- - - - -

The Interest Period Interest Charge shall be the sum of the Daily Interest Charges in the Interest Period.

The Daily Interest Charge on each Principal Advance shall be calculated as follows:

$$\begin{array}{rcc} \text{Daily Balance} & \times & \text{Interest Rate} \\ & & 360 \end{array}$$

The Interest Period shall be the period from the day following the last interest due date to the next interest due date.

The Interest Rate is the rate elected by the Borrower for each Principal Advance.

The maximum principal amount outstanding under this Note shall be limited to Four Million Dollars (\$4,000,000). Pursuant to the Letter Agreement, there shall be due and payable from the Borrower to the Bank, and the Borrower shall immediately pay to the Bank, without demand, any amount by which the Debit Balance exceeds Four Million Dollars (\$4,000,000).

The term "Prime Rate" means the variable per annum rate of interest so designated from time to time by the Bank as its prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer. The rate of interest hereunder shall change simultaneously and automatically, without further notice, upon the Bank's determination and designation from time to time of the Prime Rate. The Bank's determination and designation from time to time to the Prime Rate shall not in any way preclude the Bank from making loans to other borrowers at rates that are higher or lower than or different from the referenced rate.

"LIBOR" shall mean, as applicable to any LIBOR Advance and LIBOR period applicable thereto, (i) a rate per annum (rounded upward, if necessary), to the nearest 1/32 of one percent) equal to the composite London Interbank Offered Rate which appears on the Telerate page 3750 as of 11:00 am. London time on the day that is two (2) London Banking Days preceding the first day of such LIBOR Period (or if not reported thereon, then as determined by Bank from another recognized source or interbank quotation) divided by (ii) a fraction (A) the numerator of which is one and (B) the denominator is the average of the daily rates (expressed as a decimal) for maximum reserve requirements which are, at any time rates (expressed as a decimal) of maximum reserve requirements which are, at any time, applicable during such LIBOR Period (including, without limitation, basic, supplemental, special, marginal and emergency reserves) under any regulation of the Board of Governors of the Federal Reserve System or other banking authority, domestic or foreign, as now or hereafter in effect, prescribed for eurocurrency funding (currently referred to as Eurocurrency Liabilities in Regulation D of such Board) to which the Bank (including any branch, affiliate, or other fronting office, making or holding a loan that accrues interest at a rate which refers to LIBOR) is subject, as now or hereafter in effect.

"LIBOR Period" shall mean, with respect to any LIBOR Loan, the period commencing on the date on which the LIBOR Loan begins to bear interest at a rate tied to LIBOR in accordance herewith and ending one, two, or three month(s) thereafter, as appropriate, as selected by the Borrower pursuant hereto; provided however, (i) any LIBOR Period that would otherwise end on a day which is not a Banking Day shall be extended to the next Banking Day, unless such extension would carry

such LIBOR Period into the next month, in which event such LIBOR Period shall end on the preceding Banking Day, (ii) any LIBOR Period that begins on the last Banking Day of a calendar month (or on a date for which there is no numerically corresponding day in the calendar month in which such LIBOR Period ends) shall end on the last Banking Day of a calendar month, and (iii) any LIBOR Period that would otherwise extend beyond the (Maturity Date) shall end on the (Maturity Date).

"London Banking Day" shall mean any Banking Day on which commercial banks are open for international business (including dealing in U.S. dollar (\$) deposits) in London, England and Philadelphia, Pennsylvania.

"Cost of Funds" means the per annum rate of interest which Bank is required to pay, or is offering to pay, for wholesale liabilities, adjusted for reserve requirement and such other requirements as may be imposed by federal, state or local government and regulatory agencies, as determined by Sovereign Treasury Group, or its successors.

The "LIBOR rate" and the "Cost of Funds rate" shall mean the rate provided to the Borrower as described in the Letter Agreement by the Bank upon any given day as such rate. Such rate shall consist of the LIBOR or Cost of Funds index as of such date, plus a margin to be determined by the Bank in its sole discretion. Any LIBOR rate or Cost of Funds rate shall be fixed for the duration of the election.

All amounts outstanding under the Line which are not subject to the LIBOR rate or the Cost of Funds rate shall bear interest at a variable annual rate equal to the Borrower's Prime Rate as provided hereinabove. Notwithstanding the foregoing provisions, the Borrower may not convert existing advances to LIBOR advances or Cost of Funds advances if at any time either an Event of Default or a payment Default exists under the Loan Documents. As used herein, "LIBOR Advance" shall mean any amount outstanding under the Line as to which the Borrower has elected a LIBOR Rate, and "Cost of Funds Advances" shall mean any amount outstanding under the Line as to which the Borrower has elected a Cost of Funds rate.

All computations of interest under this Note shall be made on the basis of a three hundred sixty (360) day year and the actual number of days elapsed.

Late Charges: If a regularly scheduled payment is fifteen (15) days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$10.00, whichever is greater. If Bank demands payment of this Loan, and Borrower does not pay the Loan within fifteen (15) days after Bank's demand, Borrower will be charged either 5.000% of the unpaid principal plus accrued unpaid interest or \$10.00, whichever is greater.

Borrower shall not be obliged to pay and Bank shall not collect interest at a rate higher than the maximum permitted by law or the maximum that will not subject Bank to any civil or criminal penalties. If, because of the acceleration of maturity the payment of interest in advance or any other reason, Borrower is required, under the provisions of any Loan Documents or otherwise, to pay interest at a rate in excess of such maximum rate, the rate of interest under such provisions shall immediately and automatically be reduced to such maximum rate and any payment made in excess of such maximum rate, together with interest thereon at the rate provided herein from the date of such payment, shall be immediately and automatically applied to the reduction of the unpaid principal balance of this Note as of the date on which such excess payment was made. If the amount to be so applied to reduction of the unpaid principal balance exceeds the unpaid principal balance, the amount of such excess shall be refunded by Bank to Borrower.

The Borrower agrees that the Bank may make loan advances to the Borrower upon verbal authority (which, if the Bank so requires, shall be followed by written confirmation) of any officer executing this Note on behalf of the Borrower or any other officer of the Borrower who is authorized in writing to borrow money from the Bank and may deliver such advances by direct deposit to any deposit account of the Borrower with the Bank or otherwise as may be authorized in the Letter Agreement. Notwithstanding anything to the contrary herein, the Bank may require written notice of requests for loan advances as may be provided in the Letter Agreement. All such advances shall represent binding obligations of the Borrower.

The Borrower's "Debit Balance" shall mean the debit balance in an account on the books of the Bank, maintained in the form of a ledger card, computer records or otherwise in accordance with the Bank's customary practice and appropriate accounting procedures wherein there shall be recorded the principal amount of all advances made by the Bank to the Borrower, all principal payments made by the Borrower to the Bank hereunder, and all other appropriate debits and credits (the "Loan Account"). The Bank shall render to the Borrower a statement of account with respect to the Loan Account on a monthly basis. Such statement shall indicate the Borrower's then current Debit Balance and any interest amounts due and payable from the Borrower to Bank. Such statement may be based

on estimates of the principal amount outstanding and the interest rate for the applicable payment period. Any required adjustments between such estimates and actual amounts shall be reflected in subsequent statements.

The Borrower acknowledges that this Note is to evidence the Borrower's obligation to pay the Debit Balance, plus interest, as determined from time to time and that it shall continue to do so despite the occurrence of intervals when no Debit Balance exists because the Borrower has paid the previously existing Debit Balance in full.

This Note is a DEMAND OBLIGATION. At the option of the Bank, this Note shall become immediately due and payable in full, without further demand or notice, on the earlier of (i) demand by the Bank, or (ii) the occurrence of an Event of Default (as defined below).

If any of the following events of default shall occur ("Event of Default"): (a) default in the payment or performance of any of the Obligations or of any obligations of any Obligor to others for borrowed money or in respect of any extension of credit or accommodation; (b) failure of any representation or warranty, statement or information in any documents or financial statements delivered to the Holder for the purpose of inducing it to make or maintain any loan under this Note to be true and correct; (c) failure of the undersigned to file any tax return, or to pay or remit any tax, when due, unless the undersigned contests the particular tax in good faith, and also maintains adequate reserves to pay such tax, if unsuccessful in its action to contest; (d) failure to furnish the Holder promptly on request with financial information about, or to permit inspection by the Holder of books, records and properties to any Obligor; (e) any Obligor generally not paying its debts as they become due; (f) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver or other custodian of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings (except for an involuntary bankruptcy petition against any Obligor to which such Obligor files a proper answer thereto pursuant to Section 303(d) of the Bankruptcy Code (11 USC 303(d)) within ten (10) days of receipt of notice of said proceeding, which answer shall include a request that petitioning creditors post adequate bond under Section 303(e)(11 USC 303(e))) under any bankruptcy or insolvency laws by or against, any Obligor; (g) a material adverse change in the condition or affairs (financial or otherwise) of any Obligor which in the opinion of the Holder will impair its security or increase its risk including but not limited to any reduction of any Obligor's tangible net worth by more than 10% from its level at the previous fiscal year end or the occurrence of operating losses for any consecutive twelve month period; then the Holder shall give written notice of such default and if such default is not cured within five business days of delivery of such notice then immediately and automatically with respect to any Defaults set forth in clauses (e) and (f) above, and thereupon or at anytime thereafter with respect to each other Default (such Default not having been previously cured), at the option of the Holder, all Obligations of the Obligor shall become immediately due and payable without demand, and, if there is any collateral for the Obligations, the Holder shall then have in any jurisdiction where enforcement hereof is sought, in addition to all other rights and remedies the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State of New Hampshire.

As used herein, "Obligation" means any obligation hereunder or otherwise of any Obligor to the holder whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

The Borrower agrees to pay on demand all reasonable out-of-pocket costs of collection hereof, including reasonable attorneys' fees, whether or not any foreclosure or other action is instituted by the Holder in its discretion. All payments received will be applied first to interest, then to fees, and then to principal.

As additional collateral, the Borrower grants (1) a security interest in, or pledges, assigns and delivers, to the Holder, as appropriate, all deposits, credits and other property now or hereafter due from the Holder to such Borrower and (2) the right to set-off and apply (and a security interest in said right), from time to time hereafter and without demand or prior notice of any nature, all, or any portion, of such deposits, credits and other property, against the indebtedness evidenced by this Note, whether the other collateral, if any, is deemed adequate or not.

Borrower and Bank mutually hereby knowingly, voluntarily and intentionally waive the right to a trial by jury in respect of any claim based hereon, arising out of, under or in connection with this Note or any other documents executed in connection herewith or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party. This waiver constitutes a material inducement for Bank to accept this Note and make the Loan.

No delay or omission on the part of the Holder in exercising any right, privilege or remedy shall impair such right, privilege or remedy or be construed

as a waiver thereof or of any other right, privilege or remedy. No waiver of any right, privilege or remedy or any amendment to this Note shall be effective unless made in writing and signed by the Holder. Under no circumstances shall an effective waiver of any right, privilege or remedy on any one occasion constitute or be construed as a bar to the exercise of or a waiver of such right, privilege or remedy on any future occasion. The acceptance by the Holder hereof of and payment after any default hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any rights of the Holder hereof under this Note.

All rights and remedies of the Holder, whether granted herein or otherwise, shall be cumulative and may be exercised singularly or concurrently, and the Holder shall have, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of New Hampshire.

The Borrower waives, to the fullest extent permitted by law, presentment, notice, protest and all other demands and notices and assent (1) to any extension of the time of payment or any other indulgence, (2) to any substitution, exchange or release of collateral, and (3) to the release of any other person primarily or secondarily liable for the obligations evidenced hereby.

This Note and the provisions hereof shall be binding upon the Borrower and the Borrower's heirs, administrators, executors, successors, legal representatives and assigns and shall inure to the benefit of the Holder, the Holder's heirs, administrators, executors, successors, legal representatives and assigns.

This Note may not be amended, changed or modified in any respect except by a written document which has been executed by each party. This Note and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of New Hampshire.

IN WITNESS WHEREOF, the Borrower, acting by and through its duly authorized officer, has executed this Promissory Note on this 25th day of September, 2000.

UNITIL CORPORATION

By:

Anthony J. Baratta, Jr.
Its Duly Authorized
Senior Vice President and
Chief Financial Officer

By:

Mark H. Collin,
Its Duly Authorized Treasurer

ADDENDUM A

Prepayment Penalty: At any time that (i) the interest rate on the loan described in the Loan Documents is a fixed rate (e.g., a "LIBOR rate" or a "Cost of Funds rate") and (ii) the Bank in its sole discretion should determine that current market conditions can accommodate a prepayment request, the Borrower shall have the right at any time and from time to time to prepay the loan in whole (but not in part), and the Borrower shall pay to the bank a yield maintenance fee in an amount computed as follows. The current rate for United States Treasury securities (Bills on a discounted basis shall be converted to a bond equivalent) with a maturity date closest to the maturity date of the term chosen pursuant to the fixed rate election as to which the prepayment is made shall be subtracted from the "LIBOR rate" or "Cost of Funds rate" component, as applicable, of the fixed rate in effect at the time of prepayment. If the result is zero or a negative number, there shall be no yield maintenance fee. If the result is a positive number, then the resulting percentage shall be multiplied by the amount of the principal balance being prepaid. The resulting amount shall be divided by 360 and multiplied by the number of days remaining in the term chosen pursuant to the fixed rate election as to which the prepayment is made. Said amount shall be reduced to present value calculated by using the number of days remaining in the designated term and using the above referenced United States Treasury security rate and the number of days remaining in the term chosen pursuant to the fixed rate election as to which the prepayment is made. The resulting amount shall be the yield maintenance fee due to the Bank upon prepayment of the fixed rate Loan. Each reference in the paragraph to "fixed rate election" shall mean the election by the Borrower pursuant to the Letter Agreement of near or even date.

If by reason of an Event of Default the Bank elects to declare the Loan to be immediately due and payable, then any yield maintenance fee with respect to the Loan shall become due and payable in the same manner as though the Borrower had exercised such right of repayment.

UNITIL CORPORATION

By:

Anthony J. Baratta,
Senior Vice President and
Chief Financial Officer

Duly Authorized

By:

Mark H. Collin,
Treasurer
Duly Authorized

Proposed Form of Notice

Unitil Corporation ("Unitil"), of 6 Liberty Lane West, Hampton, New Hampshire 03842- 1720, a registered holding company, has filed a post-effective amendment under Sections 6(b), 7, 9(a), 10 and 12(b) of the Public Utilities Holding Company Act of 1935, as amended ("Act") and Rules 43, 45 and 52 thereunder to an application-declaration previously filed under the Act.

On June 9, 2000, Unitil and its wholly owned subsidiary companies, Concord Electric Company ("Concord"), Exeter & Hampton Electric Company ("Exeter"), Fitchburg Gas and Electric Light Company ("Fitchburg"), Unitil Power Corp. ("Unitil Power"), Unitil Realty Corp. ("Unitil Realty"), Unitil Resources, Inc. ("Unitil Resources") and Unitil Service Corp. ("Unitil Service" and, together with Concord, Exeter, Fitchburg, Unitil Power, Unitil Realty and Unitil Resources, the "Subsidiaries" or "Money Pool Participants") (Unitil and the Subsidiaries are collectively referred to as the "Applicants"), received approval under the Act from the Securities and Exchange Commission (the "Commission") for the authorization and approval under Sections 6(b), 7, 9(a), 10 and 12(b) of the Act and the Rules 43, 45 and 52 thereunder with respect to (i) short-term borrowing by Unitil, (ii) short-term borrowings by Fitchburg and (iii) the continued use of the system money pool ("Money Pool") by Unitil and the Money Pool Participants, pursuant to the Cash Pooling and Loan Agreement (the "Pooling Agreement") among Unitil and the Money Pool Participants dated as of February 1, 1985, as amended, Holding Co. Act Release No. 27182 (the "Order").

Applicants now seek approval to increase Unitil's authorized short-term borrowing to \$35 million from \$25 million. Since the Commission issued the Order, Unitil reevaluated its financial needs and determined that the Company will require authority to issue up to \$35 million in short-term debt to meet its financing needs prior to the completion of its 2001 long-term financing plans. As Unitil finalized its long-term financing plans for 2001, it determined that additional borrowing authority would be required to give it the financial flexibility needed to successfully complete its upcoming financing plans. Additionally, with rising energy costs, such an increase would assist it in meeting any short-term payment timing differences that may occur in the future related to energy supply costs. Unitil's Board of Directors authorized this short-term borrowing limit of \$35 million on September 29, 2000.

Any borrowings undertaken pursuant to this authorization will remain subject to the parameters set forth in the Order, except for the new aggregate limit of \$35 million. Applicants are not requesting additional borrowing authority for Fitchburg.

Unitil expects to use the proceeds derived from short-term bank borrowings authorized by this Commission pursuant to this application/declaration for: (i) loans or advances to Subsidiaries through the Pooling Agreement, (ii) payment of indebtedness, (iii) short-term cash needs which may arise due to payment timing differences, (iv) greater flexibility in financial planning and (iv) other general purposes.

UNITIL CORPORATION
CONSOLIDATED BALANCE SHEETS (000's) (A)

ASSETS:	(Unaudited) June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Utility Plant			
Electric	\$166,473		\$166,473
Gas	35,273		35,273
Common	21,150		21,150
Construction Work in Progress	3,207	18,300 (E)	21,507
	-----	-----	-----
Utility Plant	226,103	18,300	244,403
Less: Accumulated Depreciation	68,518		68,518
	-----	-----	-----
Net Utility Plant	157,585	18,300	175,885
	-----	-----	-----
Miscellaneous Property & Investments	6,338		6,338
	-----	-----	-----
Current Assets:			
Cash	3,002		3,002
Accounts Receivable	17,274		17,274
Materials and Supplies	2,321		2,321
Prepayments	1,362		1,362
Accrued Revenue	2,402		2,402
	-----	-----	-----
Total Current Assets	26,361		26,361
Noncurrent Assets:			
Regulatory Assets	139,799		139,799
Prepaid Pension Costs	8,789		8,789
Debt Issuance Costs	1,382		1,382
Other Noncurrent Assets	25,124		25,124
	-----	-----	-----
Total Noncurrent Assets	175,094		175,094
	-----	-----	-----
TOTAL	\$365,378	\$18,300	\$383,678
	=====	=====	=====

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

UNITIL CORPORATION
CONSOLIDATED BALANCE SHEETS (000's) (A)

CAPITALIZATION AND LIABILITIES:	(Unaudited) June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Capitalization:			
Common Stock Equity	\$77,973	(\$381)(D)	\$77,592
Preferred Stock, Non-Redeemable	225		225
Preferred Stock, Redeemable	3,465		3,465
Long-term Debt, Less Current Portion	81,864		81,864
	-----	-----	-----
Total Capitalization	163,527	(381)	163,146

Current Liabilities:			
Long-term Debt, Current Portion	3,199		3,199
Capitalized Lease, Current Portion	850		850
Accounts Payable	13,771		13,771
Short-Term Debt	16,700	18,300 (F)	35,000
Dividends Declared and Payable	1,841		1,841
Refundable Customer Deposits	1,282		1,282
Taxes Payable	152	(220) (B)	(68)
Interest Payable	1,150	601 (C)	1,751
Other Current Liabilities	6,550		6,550
	-----	-----	-----
Total Current Liabilities	45,495	18,681	64,176
Deferred Income Taxes	42,883		42,883
	-----	-----	-----
Noncurrent Liabilities			
Power Supply Contract Obligations	101,763		101,763
Capitalized Leases, Less Current Portion	3,447		3,447
Other Deferred Credits	8,263		8,263
	-----	-----	-----
Total Noncurrent Liabilities	113,473		113,473
	-----	-----	-----
TOTAL	\$365,378	\$18,300	\$383,678
	=====	=====	=====

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

UNITIL CORPORATION

CONSOLIDATED STATEMENTS OF EARNINGS (000's) (A)

	(Unaudited) Six Months Ended June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Operating Revenues:			
Electric	77,736		77,736
Gas	11,425		11,425
Other	64		64
	-----	-----	-----
Total Operating Revenues	89,225		89,225
	-----	-----	-----
Operating Expenses:			
Fuel and Purchased Power	52,638		52,638
Gas Purchased for Resale	6,308		6,308
Operating and Maintenance	12,192		12,192
Depreciation and Amortization	6,061		6,061
Provisions for Taxes:			
Local Property and Other	2,622		2,622
Federal and State Income	1,916	(220) (B)	1,696
	-----	-----	-----
Total Operating Expenses	81,737	(220)	81,517
	-----	-----	-----
Operating Income	7,488	220	7,708
Non-operating Expense, Net	133		133
	-----	-----	-----
Income Before Interest Expense	7,355	220	7,575
Interest Expense, Net	3,464	601 (C)	4,065
	-----	-----	-----
Net Income	3,891	(381) (D)	3,510
Less Dividends on Preferred Stock	133		133
	-----	-----	-----
Net Income Applicable to Common Stock	\$3,758	(\$381)	\$3,377
	=====	=====	=====

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

UNITIL CORPORATION

Notes to Pro Forma Consolidated Financial Statements

- (A) These statements have been pro formed to reflect an increase in Short-Term Debt to the requested borrowing limit and the corresponding impact on expenses and Net Income.
- (B) The reduction in taxes reflect the rise in interest expense which reduced income for tax purposes.
- (C) The cost of this increase in Short-Term Debt is reflected in higher interest costs for the six months period.
- (D) Lower Net Income and Common Equity (e.g. Retained Earnings) reflects the impact of higher interest expense.
- (E) Assumes all borrowings are made to fund capital additions to plant.
- (F) Reflects the incremental increase in Short-Term Debt to reach the borrowing limit.

UNITIL CORPORATION (COMPANY ONLY)

BALANCE SHEETS (000's) (A)

ASSETS	June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Other Property and Investments			
Investment in Associate Companies	\$67,725	#REF! (E)	#REF!
Other Investments	4,408		4,408
	-----	-----	-----
Net Service Property And Investments	72,133	#REF!	#REF!
	-----	-----	-----
Current Assets:			
Cash	2,074		2,074
Due from Affiliates	2,038	#REF! (B)	#REF!
Refundable Taxes	116		116
	-----	-----	-----
Total Current Assets	4,228		#REF!
	-----	-----	-----
Noncurrent Assets	173		173
	-----	-----	-----
TOTAL	\$76,534	#REF!	#REF!
	=====	=====	=====

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

UNITIL CORPORATION (COMPANY ONLY)

BALANCE SHEETS (000's) (A)

CAPITALIZATION AND LIABILITIES:	June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Capitalization:			
Common Stock Equity	\$57,707		\$57,707
	-----	-----	-----
Total Capitalization	57,707		57,707
	-----	-----	-----
Current Liabilities:			
Short-Term Debt	16,700	#REF! (D)	#REF!
Account Payable	200		200
Due to Affiliates	33		33
Dividends Declared and Payable	1,775		1,775
Interest Payable	119	#REF! (B)	#REF!
	-----	-----	-----
Total Current Liabilities	18,827	#REF!	#REF!
	-----	-----	-----
TOTAL	\$76,534	#REF!	#REF!
	=====	=====	=====

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

UNITIL CORPORATION (COMPANY ONLY)

STATEMENT OF EARNINGS (000's) (A)

	Six Months Ended June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Operating Expenses:			
Operating Expenses, Other	\$248		\$248
Provisions for Taxes:			
Federal and State Income	(32)		(32)
Total Operating Expenses	216		216
	-----	-----	-----
Operating Income	(216)		(216)
Non-operating Income	3,410	#REF! (B)	#REF!
	-----	-----	-----
Income Before Interest Expense	3,194	#REF!	#REF!
Interest Expense, Net		#REF! (C)	#REF!
	-----	-----	-----
Net Income	\$3,194		#REF!
	=====	=====	=====

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

UNITIL CORPORATION (Company Only)

Notes to Pro Forma Financial Statements

- (A) These statements have been pro formed to reflect an increase in Short-Term Debt to the requested borrowing limit and the corresponding impact on Interest Expenses and Non-operating Income.
- (B) Assumes interest costs will be billable through the Cash Pool to the client companies and will become a receivable.
- (C) The cost of this increase in Short-Debt is reflected in higher interest costs for the six months period.
- (D) Reflects the incremental increase in Short-Term Debt to reach the borrowing limit.
- (E) Assumes all borrowed funds are reflected as an investment in the Cash Pool.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

CONSOLIDATED BALANCE SHEETS (000's) (A)

(UNAUDITED)

ASSETS	June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Utility Plant (at cost):			
Electric	\$57,063		\$57,063
Gas	35,273		35,273
Common	5,397		5,397
Construction Work in Progress	1,479	11,372 (E)	12,851
	-----	-----	-----
Utility Plant	99,212	11,372	110,584
Less: Accumulated Depreciation	26,244		26,244
	-----	-----	-----
Net Utility Plant	72,968	11,372	84,340
	-----	-----	-----
Other Property and Investments	18		18
	-----	-----	-----
Current Assets:			
Cash	333		333
Accounts Receivable	8,753		8,753
Materials and Supplies (at average cost)	1,450		1,450
Prepayments	566		566
Accrued Revenue	(1,516)		(1,516)
	-----	-----	-----
Total Current Assets	9,586		9,586
	-----	-----	-----
Noncurrent Assets			
Regulatory Assets	139,799		139,799
Unamortized Debt Expense	379		379
Prepaid Pension Costs	3,319		3,319
Other	15,806		15,806
	-----	-----	-----
Total Noncurrent Assets	159,303		159,303
	-----	-----	-----
TOTAL	\$241,875	\$11,372	\$253,247
	=====	=====	=====

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

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

CONSOLIDATED BALANCE SHEETS (000's) (A)

(UNAUDITED)

CAPITALIZATION AND LIABILITIES	June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Capitalization:			
Common Stock Equity	40,262	(232)(D)	40,030
Preferred Stock, Redeemable	2,272		2,272
Long-term Debt, Less Current Portion	40,000		40,000
	-----	-----	-----
Total Capitalization	82,534	(232)	82,302

Current Liabilities:			
Long-term Debt, Current Portion	3,000		3,000
Capitalized Lease Obligations	193		193
Short-Term Debt	8,628	11,372 (F)	20,000
Accounts Payable	3,869		3,869
Due to Affiliate	783		783
Dividends Declared and Payable	1,058		1,058
Refundable Customer Deposits	258		258
Taxes Payable	249	(142) (B)	107
Interest Payable	769	374 (C)	1,143
Other Current Liabilities	527		527
	-----	-----	-----
Total Current Liabilities	19,334	11,604	30,938
Deferred Income Taxes	29,821		29,821
	-----	-----	-----
Noncurrent Liabilities:			
Power Supply Contract Obligations	101,763		101,763
Capitalized Lease Obligations	2,062		2,062
Other Noncurrent Liabilities	6,361		6,361
	-----	-----	-----
Total Noncurrent Liabilities	110,186		110,186
TOTAL	\$241,875	\$11,372	\$253,247
	=====	=====	=====

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

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS (000's) (A)
(UNAUDITED)

	Six Months Ended June 30, 2000	Adjustments	Pro Formed
	-----	-----	-----
Operating Revenues:			
Electric	\$27,262		\$27,262
Gas	11,425		11,425
	-----	-----	-----
Total Operating Revenues	38,687		38,687
	-----	-----	-----
Operating Expenses:			
Fuel and Purchased Power	15,503		15,503
Gas Purchased for Resale	6,308		6,308
Operating Expenses, Other	6,049		6,049
Maintenance	800		800
Depreciation and Amortization	3,244		3,244
Provisions for Taxes:			
Federal and State Income	630	(142) (B)	488
Local Property and Other	1,576		1,576
	-----	-----	-----
Total Operating Expenses	34,110	(142)	33,968
	-----	-----	-----
Operating Income	4,577	142	4,719
Non-operating Expense	89		89
	-----	-----	-----
Income Before Interest Expense	4,488	142	4,630
Interest Expense, Net	1,645	374 (C)	2,019
	-----	-----	-----
Net Income	2,843	(\$232) (D)	2,611
Less Dividends on Preferred Stock	79		79
	-----	-----	-----
Net Income Applicable to Common Stock	\$2,764	(\$232)	\$2,532
	=====	=====	=====

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

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

Notes to Pro Forma Financial Statements

- (A) These statements have been pro formed to reflect an increase in Short-Term Debt to the recently authorized borrowing limit and the corresponding impact on expenses and Net Income.
- (B) The reduction in taxes reflect the rise in interest expense which reduced income for tax purposes.
- (C) The cost of this increase in Short-Term Debt is reflected in higher interest costs for the six months period.
- (D) Lower Net Income and Common Equity (e. g. Retained Earnings) reflects the impact of higher interest expense.
- (E) Assumes all borrowings are made to fund additions to Utility Plant.
- (F) Reflects the incremental increase in Short-Term debt to reach the borrowing limit.

OPUR1
1,000

6-MOS		6-MOS	
DEC-31-2000		DEC-31-2000	
JAN-1-2000		JAN-1-2000	
JUN-30-2000		JUN-30-2000	
PER-BOOK		PER-BOOK	
157,585		175,885	
6,338		6,338	
26,361		26,361	
175,094		175,094	
	0		0
	365,378		383,678
	40,674		40,674
294		294	
37,005		36,624	
77,973		77,592	
3,465		3,465	
	225		225
81,864		81,864	
16,700		35,000	
0		0	
0		0	
3,199		3,199	
0		0	
3,447		3,447	
	850		850
177,655		178,036	
365,378		383,678	
89,225		89,225	
1,916		1,696	
79,821		79,821	
81,737		81,517	
7,488		7,708	
(133)		(133)	
7,355		7,575	
3,464		4,065	
	3,891		3,510
133		133	
3,758		3,377	
4,882		4,882	
3,223		3,233	
8,735		8,354	
	0.80		0.72
	0.79		0.71

OPUR1
1,000

6-MOS		6-MOS	
DEC-31-2000	JAN-1-2000	DEC-31-2000	JAN-1-2000
JUN-30-2000	PER-BOOK	JUN-30-2000	PER-BOOK
0	0	0	0
72,133	4,228	90,433	4,829
173	173	1730	1730
0	0	0	0
76,534	42,361	95,435	42,361
294	15,052	294	15,052
57,707	0	57,707	0
0	0	0	0
0	16,700	0	35,000
0	0	0	0
0	0	0	0
0	0	0	0
2,127	0	2,728	0
76,534	0	95,435	0
0	(32)	0	(32)
248	248	248	248
216	2216	2216	216
(216)	(216)	(216)	(216)
3,194	3,410	3,795	4,011
0	0	601	601
0	3,194	0	3,194
0	0	0	0
4,882	4,882	4,882	4,882
0	0	0	0
4,638	6,686	6,686	6,686
0.68	0.68	0.68	0.68
0.67	0.67	0.67	0.67

OPUR1
1,000

6-MOS		6-MOS	
DEC-31-2000		DEC-31-2000	
JAN-1-2000		JAN-1-2000	
JUN-30-2000		JUN-30-2000	
PER-BOOK		PER-BOOK	
72,968		84,340	
18		18	
9,586		9,586	
159,303		159,303	
	0		0
	241,875		253,247
	12,444		12,444
8,640		8,640	
19,178		18,946	
40,262		40,030	
2,272		2,272	
	0		0
40,000		40,000	
8,628		20,000	
0		0	
0		0	
3,000		3,000	
0		0	
2,062		2,062	
	193		193
145,458		145,690	
241,875		253,247	
38,687		38,687	
	630		488
33,480		33,480	
34,110		33,968	
4,577		4,719	
	(89)		(89)
4,488		4,630	
1,645		2,019	
	2,843		2,611
79		79	
2,764		2,532	
2,070		2,070	
1,618		1,618	
6,997		6,765	
	2.22		2.03
	2.22		2.03