

**Unitil Energy Systems, Inc.**

**Base Case Cash Forecast**

(\$ millions)

Line No.	(a) Date	(b)	(c) Cash Receipts	(d) Energy Payments	(e) Construction Expenditures	(f) Interest and Dividends	(g) Other Disbursements	(h) Short-Term Debt Balance Month End
1	2007 Dec	actual						(\$10.2)
2	2008 Jan	actual	\$14.2	(\$10.7)	(\$1.3)	(\$1.0)	(\$1.3)	(10.3)
3	Feb	actual	13.2	(11.5)	(0.7)	(0.7)	(2.2)	(12.2)
4	Mar	actual	13.5	(11.1)	(1.0)	(0.5)	(1.8)	(13.1)
5	Apr	actual	13.5	(9.7)	(1.2)	(0.7)	(0.6)	(11.8)
6	May	actual	12.9	(6.8)	(1.8)	(0.6)	(3.2)	(11.3)
7	Jun	forecast	14.1	(8.7)	(1.7)	(0.8)	(2.4)	(10.8)
8	Jul	forecast	13.4	(9.9)	(1.8)	(1.1)	(2.1)	(12.3)
9	Aug	forecast	17.5	(12.3)	(1.5)	(0.4)	(3.5)	(12.5)
10	Sep	forecast	17.2	(12.3)	(1.4)	(0.9)	(3.3)	(13.2)
11	Oct	forecast	14.5	(10.0)	(1.9)	(3.0)	(1.2)	(14.8)
12	Nov	forecast	14.2	(9.9)	(1.0)	(0.4)	(2.3)	(14.2)
13	Dec	forecast	12.9	(9.7)	(0.6)	(0.4)	(4.2)	(16.2)
14	2009 Jan	forecast	16.0	(11.4)	(1.4)	(2.1)	(1.4)	(16.5)
15	Feb	forecast	15.1	(12.9)	(1.4)	(0.4)	(2.4)	(18.5)
16	Mar	forecast	15.3	(12.2)	(1.4)	(0.5)	(2.1)	(19.4)

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**Short-Term Debt Balances**

(\$ millions)

Line No.	(a) Date	(b) actual	(c) Short-Term Debt Month End	(d) Average Balance	(e) Maximum Requirement	(f) Difference between Maximum and Month End	(g) Difference between Maximum and Average
1	2007 Jan	actual	\$9.4	\$7.6	\$11.1	\$1.7	\$3.5
2	Feb	actual	11.1	8.8	13.6	2.5	4.8
3	Mar	actual	12.1	10.2	15.0	2.9	4.8
4	Apr	actual	14.6	11.9	15.5	0.9	3.6
5	May	actual	4.5	3.9	14.9	10.4	11.0
6	Jun	actual	5.9	4.7	7.2	1.3	2.5
7	Jul	actual	7.1	6.4	9.2	2.1	2.8
8	Aug	actual	8.2	7.2	10.6	2.4	3.4
9	Sep	actual	9.2	8.0	11.2	2.0	3.2
10	Oct	actual	9.2	8.7	11.3	2.1	2.6
11	Nov	actual	9.8	8.5	10.3	0.5	1.8
12	Dec	actual	10.2	9.5	11.2	1.0	1.7
13	2008 Jan	actual	10.3	9.3	13.0	2.7	3.7
14	Feb	actual	12.2	10.9	14.8	2.6	3.9
15	Mar	actual	13.1	12.3	15.6	2.5	3.3
16	Apr	actual	11.8	11.6	13.9	2.1	2.3
17	May	actual	11.3	11.2	14.3	3.0	3.1

Notes

\* In May 2007, UES received a \$10 million equity contribution from Unitil Corporation.

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**2008 Construction Budget**  
(\$000)

Line No.	(a) Description	(b) 2008 Budget
1	Line Extensions	\$ 666
2	Distribution Projects Other	6,766
3	T&D Improvements	1,417
4	Customer Additions	2,449
5	Annual Requirements Other	2,414
6	Other	<u>3,230</u>
7	Total Budgeted Capital Expenditures	<u>\$ 16,942</u>

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**Long-Term Debt Financings and  
Capital Contributions from Unitil Corporation**  
(\$ millions)

Line No.	(a) Year	(b) Capital Financing
1	2001	\$ 15.0 8% First Mortgage Bonds
2	2002	0.5 Equity Contribution
3	2003	6.0 Equity Contribution
4	2006	15.0 6.32% First Mortgage Bonds
5	2007	10.0 Equity Contribution
6	Total	\$ 46.5 Total Capital Financing

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**Capital Structure and Capital Ratios**  
 (\$000)

Line No.	(a) Description	(b) Balance at 3/31/2008	(c) Ratio	(d) CECo and E&H Balance at 12/31/1997	(e) Ratio
1	Equity	\$ 52,452	44.6%	\$ 21,623	43.3%
2	Preferred Stock	225	0.2%	1,449	2.9%
3	Long-Term Debt	<u>65,000</u>	<u>55.2%</u>	<u>26,917</u>	<u>53.8%</u>
4	Total Permanent Capitalization	<u>\$ 117,677</u>	<u>100.0%</u>	<u>\$ 49,989</u>	<u>100.0%</u>
5	Maximum Short-Term Debt	\$ 24,000		\$ 16,000	
6	Short-Term Debt as a Percentage of Permanent Capitalization		20.4%		32.0%

**Unitil Energy Systems, Inc.**

**Short-Term Debt Authorization Limit under the Proposed Formula as of May 1, 2008**

(\$000)

Line No.	(a) Factor	(b) Total	(c)	(d)	(e) Formula as of 5/1/2008
1	<b>Net Utility Plant Component</b>				
2	at December 31, 2007 FERC p.	\$124,045	10%		\$ 12,405
3	<b>Energy Component</b>		<b>No. of Months</b>	<b>Average Monthly Cost</b>	
4	<b>Stranded Cost Charge (SCC)</b>				
5	DE 08-040, Compliance Filing Tariff, p. 65	11,445	12	954	
6	<b>External Delivery Charge (EDC)</b>				
7	DE 08-040, Compliance Filing Tariff, p. 67	14,680	12	1,223	
8	<b>Default Service Charge (DSC)</b>				
9	Non-G1 Projected Costs May - Oct	44,020	6	7,337	
10	G1 Projected Costs May - July	2,690	3	897	
11	DE 08-015, Compliance Filing Tariff p. 74 and 75				
12	<b>Total Energy Component</b>				10,410
13	<b>Allowance for Unexpected Events</b>				1,000
14	<b>Total Formula Result</b>				<u>\$ 23,815</u>
15	<b>Total Short-Term Debt Authorization Limit under Proposed Formula</b>				<u><u>\$ 24 million</u></u>