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Schedule 1: Letter to Investors dated December 18, 2009

Schedule 2: Cost Rate Based on Net Proceeds and Weighted Average Cost of Capital



December 18, 2009

To the Persons on the Attached Distribution List

**Re: Unitil Energy Systems, Inc. ("UES" or the "Issuer")
\$15,000,000 First Mortgage Bonds Due 2020 (the "Bonds")**

Dear Investors:

This letter will confirm that the institutions listed below have circled the following amounts of the above-referenced Bonds on Friday, December 18, 2009. Please find attached the Bloomberg screen, which illustrates the Treasury yield used to calculate the coupons on the Bonds.

Maturity / Avg. Life		10-yr Final / 9-yr Avg. Life
Reference Yield		3.39%
Spread		1.85%
Coupon		5.24%
Institution		
Thrivent	\$	10.0
Mutual of Omaha		5.0
Total	\$	15.0

The transaction was circled pursuant to UES' existing Indenture of Mortgage and Deed of Trust, as amended and supplemented, and the draft Bond Purchase Agreement and 14th Supplemental Indenture distributed via Intralinks. We will contact investors shortly to schedule a due diligence meeting with UES' management. The transaction will close and fund prior to March 15, 2010.

UES and BAML appreciate your interest in the transaction and look forward to working with you towards the completion of a satisfactory due diligence and closing. Please call us with any questions.

Sincerely,

Banc of America Securities LLC

Edward Wood
(312) 828-7447

Michael Kleban
(312) 828-6003

<HELP> for explanation.

INTERPOLATED US YIELD FOR 12/16/18 (3285 DAYS) IS:

3.386

EquityPX1

14:15 CURRENTS/WHEN ISSUED

Bloomberg
GENERIC

TREASURY BILLS					
11Mo	1/14/10	↓	.02/ 1	.01	--
23Mo	3/18/10	↑	.05/ 4	.04	--
3WiB	3/25/10	↓	.06/ 5	.05	+.01
46Mo	6/17/10	↑	.16/15	.16	+.01
5WiB	6/24/10	↓	.17/16	.16	+.01
01Yr	12/16/10	↓	.35/34	.34	+.01

14	3 ⁵ / ₈	8/19	↑100-20 /22	3.54	- 17+
15	3 ³ / ₈	11/19	10yr ↑ 98-18+/19+	3.54	- 17
16	4 ¹ / ₂	8/39	↑100-19+/21+	4.46	- 20
17	4 ³ / ₈	11/39	30yr ↑ 98-20+/21+	4.46	- 20+

NOTES/BONDS					
7	1	10/11	↓100-13+/15+	.74	- 02+
8	3 ³ / ₄	11/11	2yr ↓ 99-29 /29+	.79	- 02+
9	1 ³ / ₈	11/12	↓100-09 /11	1.25	- 05
10	1 ¹ / ₈	12/12	3yr ↓ 99-13+/14	1.32	- 05
11	2 ³ / ₈	10/14	↑100-20 /22	2.22	- 09
12	2 ¹ / ₈	11/14	5yr ↑ 99-09+/10	2.27	- 09
13	2 ³ / ₄	11/16	7yr ↓ 98-07+/08	3.03	- 14

18	TII	5 YR	↓104-09 /11	.24	- 02+
19	TII	10 YR	↑105-15 /17	1.26	- 12+
20	TII	20 YR	↓108-30 /00	1.93	- 11

OTHER MARKETS					
21	US	Long(CBT)	14:05 ↑	118-05	- 25
22	10Y	Fut(CBT)	14:05 ↓	117-19	- 14+
23	EURO\$	(IMM)	14:04 ↑	99.645	+.005
24	S&P 500	Ind	14:14 ↓	1099.51	+3.43
25	NASDAQ	Comp	14:15 ↑	2202.97	+22.92
26	DowJones	Ind	14:14 ↓	10307.13	-1.13
27	Gold (CMX)		14:15 ↓	1107.97	+9.07
28	NYM WTI	Crd	14:04 ↓	73.94	+1.29

UNITIL ENERGY SYSTEMS, INC.
COST RATE BASED ON NET PROCEEDS
\$15,000,000 First Mortgage Bonds

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ISSUE	Maturity	OUTSTANDING AMOUNT	ISSUANCE COSTS	NET PROCEEDS OUTSTANDING (3)-(4)	ANNUAL ISSUANCE COST (4)/(2)	ANNUAL INTEREST COST Rate * (3)	TOTAL ANNUAL COST (6)+(7)	COST RATE BASED ON NET PROCEEDS (8)/(5)
5.24% First Mortgage Bond	10 Yrs	\$ 15,000,000	\$615,000	\$ 14,385,000	\$ 61,500	\$786,000	\$847,500	5.89%

UNITIL ENERGY SYSTEMS, INC.
WEIGHTED AVERAGE COST OF CAPITAL AS OF SEPTEMBER 30, 2009
Proformed for the Issuance and Sale of \$15,000,000 First Mortgage Bonds
(\$ In Millions)

	Actual				Adjustments	Pro Forma			
	Amount	% of Total	Cost Rate (a)	Weighted Cost Rate		Amount	% of Total	Cost Rate (a)	Weighted Cost Rate
Existing Long-Term Debt	\$65.0	52.7%	7.68%	4.04%		\$65.0	45.3%	7.68%	3.48%
New First Mortgage Bonds	0.0	0.0%		0.00%	15.0	15.0	10.5%	5.89%	0.62%
Total Long Term Debt	65.0	52.7%		4.04%	15.0	80.0	55.8%		4.10%
Common Equity	58.2	47.2%	9.67%	4.56%	5.0	63.2	44.1%	9.67%	4.26%
Preferred Stock Equity	0.2	0.2%	6.00%	0.01%		0.2	0.1%	6.00%	0.01%
Total	\$123.4	100.0%		8.61%	\$20.0	\$143.4	100.0%		8.37%

(a) Cost rate based on net proceeds