NORTHERN UTILITIES, INC.

Supplementary Filing Requirements

Pursuant to PUC 1604.01 (a)

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Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.11) Detailed list of all membership fees, dues, donations for the test year charged above the line showing the trade, technical, and professional associations and organizations and amount.

Response:

See Response to 26.11.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.12) A list of any management audit and depreciation studies performed within the last 5 years, specifying whether same are on file with the commission;

Response:

This is not applicable for Unitil Corporation.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.13) Copies of any audits or studies referred to in (25.12) above which the utility has not submitted to the commission;

Response:

This is not applicable for Unitil Corporation.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with PUC 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.14) List of officers and directors of the utility and their compensation for the last 2 years.

Response:
Unitil Corporation was incorporated under the laws of the State of New Hampshire in 1984. Unitil Corporation is a public utility holding company, and is the parent company of Northern Utilities, Inc. ("Northern"). The following table lists the total annual compensation for the members of the Board of Directors of Unitil Corporation, which also includes compensation for service on the boards of its four utility subsidiaries, Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Northern, and Granite State Gas Transmission, Inc. All directors' compensation is allocated to Unitil Corporation's subsidiaries through the Unitil Service Corp. billing system.

	2011		2012		
	Compensation $	**Common Stock $**	**Compensation $**	**Common Stock $**	**Restricted Stock Units $**
William D. Adams	48,000	20,490	48,377	30,008	--
Robert V. Antonucci	48,000	20,490	48,377	30,008	--
David P. Brownell	56,000	20,490	56,377	--	30,008
Lisa Crutchfield [1]	--	--	--	--	--
Michael J. Dalton	51,000	20,490	51,377	30,008	--
Albert H. Elfner, III	59,000	20,490	59,377	--	30,008
Edward F. Godfrey	56,000	20,490	56,377	30,008	--
Michael B. Green	48,000	20,490	48,377	--	30,008
Eben S. Moulton	56,000	20.490	56,377	--	30,008
M. Brian O'Shaughnessy	51,000	20,490	51,377	30,008	--
Robert G. Schoenberger [2]	N/A	N/A	N/A	N/A	--
Sarah P. Voll	48,000	20,490	48,377	30,008	N/A
David A. Whiteley [3]	--	--	--	--	--

1 Lisa Crutchfield was elected to the Unitil Corporation Board of Directors on December 13, 2012. No compensation was paid for 2012.
2 Employee Directors are not compensated for Board service.
3 David A. Whiteley was elected to the Unitil Corporation Board of Directors on December 13, 2012. No compensation was paid for 2012.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

The following table lists the total annual compensation for the officers of Unitil Corporation for the past two years. All officers' compensation is allocated to Unitil Corporation's subsidiaries through the Unitil Service Corp. billing system.

	2011			**2012**		
	Base Salary	**Incentive Pay**	**Restricted Stock**	**Base Salary**	**Incentive Pay**	**Restricted Stock**
Robert G. Schoenberger, Chairman, Chief Executive Officer & President	525,091	182,640	170,718	540,844	317,680	871,486
Thomas P. Meissner, Jr., Senior Vice President & Chief Operating Officer	258,249	62,878	53,849	265,996	109,368	77,446
Mark H. Collin, Sr. Vice President, Chief Financial Officer & Treasurer	255,233	62,144	53,849	264,443	108,091	77,446
Laurence M. Brock, Controller & Chief Accounting Officer	172,175	25,626	26,017	177,340	52,083	33,692
Sandra L. Whitney, Secretary	87,713	3,250	1,635	90,413	5,307	1,986

Northern Utilities, Inc.
DE 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with PUC 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.15) Lists of the amount of voting stock of the utility categorized as follows:

a. Owned by an officer or director individually;

b. Owned by the spouse or minor child of an officer or director; or

c. Controlled by the officer or director directly or indirectly;

Response:

For Unitil Corporation, the voting stock of the Company consists of common stock and restricted common stock. As of December 31, 2012, common stock outstanding (which includes all issued shares of common stock and also restricted common stock) consisted of 13,780,601 shares.

a. There are 155,210 shares of common stock owned by officers and/or directors individually.
b. There are 7,838 shares of common stock owned by the spouse or minor child of officers and/ or directors.
c. There are 205,422 shares controlled by officers and/or directors, either directly or indirectly.

Northern Utilities, Inc.
DE 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.16) A list of all payments to individuals or corporations for contractual services in the test year with a description of the purpose of the contractual services, as follows:

a. For utilities with less than $50,000 in annual revenues, a list of all payments in excess of $10,000; and

b. For utilities with annual revenues in excess of $50,000, a list of all payments in excess of $50,000.

Response:

See response to 26.16.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.17) For non-utility operations, the amount of assets and costs allocated thereto and justification for such allocations.

Response:

See response to 26.17.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.18) Balance sheets and income statements for the previous 3 years.

Response:

See responses to 25.10 and 25.02

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.19) Quarterly income statements for the previous 5 years.

Response:

Please see Response to 25.10 for quarterly income statements for the previous 2 years (i.e. for 2011 – 2012). Please see the attached for the quarterly income statements for 2008 – 2010. For the periods ending December 31st, quarterly statements are not available. December quarterly amounts for the periods ended December 31st can be derived by subtracting the September YTD amounts from the YTD amounts in the December income statements included in the annual reports included in Response 25.02.

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended March 31, 2008

Commission File Number 1-8858

UNITIL CORPORATION
(Exact name of registrant as specified in its charter)

New Hampshire	**02-0381573**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6 Liberty Lane West, Hampton, New Hampshire	**03842-1720**
(Address of principal executive office)	*(Zip Code)*

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes_X__ No___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer___ Accelerated filer__X__

Non-accelerated filer___ (Do not check if a smaller reporting company) Smaller reporting company___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes___ No_X__

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 23, 2008
Common Stock, No par value	5,765,031 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended March 31, 2008

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PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil's principal business is the retail distribution of electricity and natural gas through two utility subsidiaries: Unitil Energy System's Inc. (UES) and Fitchburg Gas and Electric Light Company (FG&E). UES is an electric utility with an operating franchise in the southeastern seacoast and capital city areas of New Hampshire. FG&E is a combination gas and electric utility with an operating franchise in the greater Fitchburg area of north central Massachusetts.

Unitil's two retail distribution utilities serve approximately 99,400 electric customers and 15,000 natural gas customers in their franchise areas. The retail distribution companies are pure distribution utilities with a combined investment in net utility plant of $249.4 million at March 31, 2008. Substantially all of Unitil's revenue and earnings are derived from regulated utility operations.

Unitil also conducts non-regulated operations principally through its Usource™ (Usource) subsidiary. Usource provides energy brokering and consulting services to large commercial and industrial customers in the northeastern United States. Unitil's other subsidiaries include Unitil Service and Unitil Realty, which provide centralized facilities, management and administrative services to Unitil's affiliated companies. Unitil's consolidated net income includes the earnings of the holding company and these subsidiaries.

On February 15, 2008, the Company entered into a Stock Purchase Agreement (Agreement) with NiSource Inc. (NiSource) and Bay Sate Gas Company (Bay State, which is a wholly owned utility subsidiary of NiSource), to acquire all of the outstanding stock of Northern Utilities, Inc. (Northern), and Granite State Gas Transmission, Inc. (Granite) for $160 million plus a net working capital adjustment. Northern's principal business is the retail distribution of natural gas to approximately 53,000 customers located in 44 coastal New Hampshire and southern Maine communities. Portions of Northern's natural gas service territory are contiguous and overlapping with Unitil's electric distribution service territory in New Hampshire. Granite's principal business is a natural gas transmission company, principally engaged in the business of rendering natural gas transportation services to Northern.

Consummation of the acquisition is subject to various closing conditions, including but not limited to the receipt of requisite regulatory approvals from certain federal and state public utility, antitrust and other regulatory authorities. It is currently anticipated that the acquisition will be consummated in the fourth quarter of 2008. However, no assurance can be given that the acquisition will occur, or, the timing of its completion.

RATES AND REGULATION

Unitil's utility operations related to wholesale and interstate business activities are regulated by the Federal Energy Regulatory Commission (FERC). The retail distribution utilities, UES and FG&E, are subject to regulation by the New Hampshire Public Utilities Commission (NHPUC) and the Massachusetts Department of Public Utilities (MDPU), formerly the Massachusetts Department of Telecommunications and Energy, respectively, in regards to their rates, issuance of securities and other accounting and operational matters. Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's retail distribution utilities have the franchise to deliver electricity and/or natural gas to all customers in their franchise areas, at rates established under traditional cost of service regulation. Under this regulatory structure, UES and FG&E recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets.

As a result of the implementation of retail choice in New Hampshire and Massachusetts, Unitil's customers are free to contract for their supply of electricity with third-party suppliers. The retail distribution utilities provide for the delivery of that supply of electricity over their distribution systems at regulated rates. Both UES and FG&E

continue to provide basic or default electric supply service to those customers who do not obtain their supply from third-party suppliers, with the costs associated with electricity supplied by the Company being recovered on a pass-through basis under periodically-adjusted rates.

As a result of the introduction of retail choice for all natural gas customers in Massachusetts, FG&E's customers are free to contract for their supply of natural gas with third-party suppliers. FG&E continues to provide natural gas supply services to those customers who do not obtain their supply from third-party suppliers. The costs associated with natural gas supplied by FG&E are recovered on a pass-through basis under periodically adjusted rates.

CAUTIONARY STATEMENT

This report and the documents we incorporate by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include the following:

- Variations in weather;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;
- General economic conditions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' future performance under multi-year energy brokering contracts.
- Risks associated with the acquisition of Northern and Granite, discussed above include:
    - Successful integration of the acquired business into the Company;
    - Receipt of regulatory approval of the transaction;
    - Ability to finance transaction at reasonable terms; and
    - Acquisition costs expended for banker fees, legal fees and other acquisition related expenses would adversely affect the Company's financial condition if the acquisition is not completed;

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2007 as filed with the Securities and Exchange Commission on February 12, 2008, other than the risks disclosed above associated with the acquisition of Northern and Granite.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended March 31, 2008 and March 31, 2007 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Item 1 of this report.

Earnings Overview

The Company's Earnings Applicable to Common Shareholders (Net Income) was $3.3 million for the first quarter of 2008. Earnings per common share (EPS) were $0.57 for the three months ended March 31, 2008, an improvement of $0.11 per share or 24% over the first quarter of 2007.

Unitil's improved first quarter earnings in 2008 over 2007 were driven by higher gas sales margin and lower operating expenses, including the benefit from the proceeds of an insurance settlement associated with environmental remediation costs. These favorable factors were partially offset by higher amortization expenses and higher interest expense in the current year.

The following table presents the significant items contributing to the improvement in earnings per share in the first quarter of 2008 compared to the same period in 2007:

	Earnings Per Share
Three Months Ended March 31, 2007:	**$ 0.46**
Electric Sales Margin	(0.04)
Gas Sales Margin	0.10
Usource Sales Margin	0.01
Operation & Maintenance Expense	0.19
Depreciation, Amortization, Taxes & Other	(0.10)
Interest Expense, net	(0.05)
Three Months Ended March 31, 2008:	**$ 0.57**

In the first quarter of 2008, Unitil's electric kilowatt (kWh) sales decreased 1.4% compared to the same period in 2007. Gas sales in the first quarter of 2008 decreased 1.7% compared to the same period in 2007. The lower unit sales in 2008 compared to 2007 were driven by milder winter weather this year and lower average usage by our customers reflecting a slowing economy and energy conservation.

Electric sales margin was lower by $0.4 million in the three months ended March 31, 2008 compared to the same period in 2007 due to lower electric kWh sales volumes, partially offset by higher electric base rates. Gas sales margin increased $0.9 million in the three months ended March 31, 2008 compared to the same period in 2007 reflecting higher gas base rates, implemented in 2007. Usource, our non-regulated energy brokering business, recorded increased sales margin of $0.1 million in the first quarter of 2008, an increase of 11% over the first quarter of 2007.

Total Operation & Maintenance (O&M) expenses decreased $1.8 million for the three month period ended March 31, 2008 compared to the same period in 2007. This decrease reflects a reduction to operating expenses of $2.8 million from the proceeds of an insurance settlement associated with environmental remediation costs. This reduction to operating expenses was partially offset by annual increases in salary, wage and benefit costs of $0.7 million, higher professional fees of $0.2 million and higher bad debt expenses of $0.1 million.

Depreciation, Amortization, Taxes & Other expenses increased $1.2 million in the three month period ended March 31, 2008 compared to the same period in 2007 primarily reflecting the amortization of $0.7 million of natural gas inventory carrying costs and higher income taxes on higher levels of pre-tax earnings in 2008 compared to 2007.

Interest Expense, Net increased $0.5 million in the three month period ended March 31, 2008 compared to the same period in 2007 primarily reflecting higher debt outstanding.

In 2007, Unitil's annual common dividend was $1.38, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock. At its January, 2008 and March, 2008 meetings, the Unitil Board of Directors declared quarterly dividends on the Company's common stock of $0.345 per share.

A more detailed discussion of the Company's results of operations for the three months ended March 31, 2008 and a period-to-period comparison of changes in financial position are presented below.

Balance Sheet

The Company's investment in Net Utility Plant increased by $11.7 million as of March 31, 2008 compared to March 31, 2007. This increase was due to capital expenditures related to UES' and FG&E's electric and gas distribution systems, including expenditures of approximately $1.0 million for the Company's Advanced Metering Infrastructure (AMI) project.

Regulatory Assets decreased $29.0 million as of March 31, 2008 compared to March 31, 2007, primarily reflecting current year cost recoveries. A significant portion of this decrease is matched by a corresponding decrease of $19.9 million in Power Supply Contract Obligations. The remaining decrease primarily reflects lower levels of Regulatory Assets associated with deferred taxes and retirement benefit obligations as well as recoveries of deferred charges.

Long-Term Debt increased $19.6 million as of March 31, 2008 compared to March 31, 2007, reflecting the issuance and sale on May 2, 2007 by Unitil Corporation of $20.0 million of 6.33% Senior Long-Term Notes, due May 1, 2022, to institutional investors in the form of a private placement. Short-term Debt decreased $13.0 million as of March 31, 2008 compared to March 31, 2007, as short-term borrowings were refinanced with the issuance of Senior Long-Term Notes, discussed above.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – In the first quarter of 2008, Unitil's total electric kWh sales decreased 1.4% compared to the first quarter of 2007. Sales to residential and C&I customers decreased 0.9% and 1.7%, respectively, in the first quarter of 2008 compared to the same period in 2007. The lower kWh sales in 2008 compared to 2007 were primarily driven by lower average usage by our customers reflecting a slowing economy and energy conservation.

The following table details total kWh sales for the three months ended March 31, 2008 and 2007 by major customer class:

kWh Sales (millions)

	Three Months Ended March 31,			
	2008	2007	Change	% Change
Residential	**182.4**	184.0	(1.6)	(0.9%)
Commercial/Industrial	**261.1**	265.6	(4.5)	(1.7%)
Total	**443.5**	449.6	(6.1)	(1.4%)

Electric Operating Revenues and Sales Margin - The following table details total Electric Operating Revenues and Sales Margin for the three months ended March 31, 2008 and 2007:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2008	2007	$ Change	% Change(1)
Electric Operating Revenue:				
Residential	**$ 30.3**	$ 32.8	$ (2.5)	(4.0%)
Commercial / Industrial	**26.3**	29.9	(3.6)	(5.7%)
Total Electric Operating Revenue	**$ 56.6**	$ 62.7	$ (6.1)	(9.7%)
Cost of Electric Sales:				
Purchased Electricity	**$ 42.9**	$ 48.2	$ (5.3)	(8.5%)
Conservation & Load Management	**0.6**	1.0	(0.4)	(0.6%)
Electric Sales Margin	**$ 13.1**	$ 13.5	$ (0.4)	(0.6%)

(1) Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenues decreased by $6.1 million, or 9.7%, in the three months ended March 31, 2008 compared to the same period in 2007. Total Electric Operating Revenues include the recovery of costs of electric sales, which are recorded as Purchased Electricity and Conservation & Load Management (C&LM) in Operating Expenses. The decrease in Total Electric Operating Revenues in the three months ended March 31, 2008 reflects lower Purchased Electricity costs of $5.3 million, lower C&LM revenues of $0.4 million and lower sales margin of $0.4 million.

Purchased Electricity and C&LM revenues decreased a combined $5.7 million, or 9.1%, of Total Electric Operating Revenues in the three months ended March 31, 2008 compared to the same period in 2007, reflecting lower electric kWh sales, an increase in the amount of electricity purchased by customers directly from third-party suppliers and lower electric commodity prices. Purchased Electricity revenues include the recovery of the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin was lower by $0.4 million in the three months ended March 31, 2008 compared to the same period in 2007 due to lower electric kWh sales volumes, partially offset by higher electric base rates.

Gas Sales, Revenues and Margin

Therm Sales – Therm sales of natural gas decreased 1.7% in the three months ended March 31, 2008 compared to the same period in 2007. Sales to residential customers and C&I customers decreased 2.0% and 1.4%, respectively, in the first quarter of 2008 compared to the same period in 2007. The decrease in gas sales in 2008 reflects a milder winter heating season this year and lower average usage by our customers reflecting a slowing economy and energy conservation.

The following table details total firm therm sales for the three months ended March 31, 2008 and 2007, by major customer class:

Therm Sales (millions)

	Three Months Ended March 31,			
	2008	2007	Change	% Change
Residential	**4.8**	4.9	(0.1)	(2.0%)
Commercial/Industrial	**6.8**	6.9	(0.1)	(1.4%)
Total	**11.6**	11.8	(0.2)	(1.7%)

Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three months ended March 31, 2008 and 2007:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2008	2007	$ Change	% Change[1]
Gas Operating Revenue:				
Residential	**$ 8.0**	$ 8.1	$ (0.1)	(0.7%)
Commercial / Industrial	**6.3**	6.1	0.2	1.4%
Total Gas Operating Revenue	**$ 14.3**	$ 14.2	$ 0.1	0.7%
Cost of Gas Sales:				
Purchased Gas	**$ 9.0**	$ 9.8	$ (0.8)	(5.6%)
Conservation & Load Management	**---**	---	---	---
Gas Sales Margin	**$ 5.3**	$ 4.4	$ 0.9	6.3%

[1] Represents change as a percent of Total Gas Operating Revenue.

Total Gas Operating Revenues increased $0.1 million, or 0.7%, in the three months ended March 31, 2008 compared to the same period in 2007. Total Gas Operating Revenues include the recovery of the cost of sales, which are recorded as Purchased Gas and C&LM in Operating Expenses. The net increase in Total Gas Operating Revenues in three months ended March 31, 2008 reflects higher sales margin of $0.9 million, offset by lower Purchased Gas costs of $0.8 million.

Purchased Gas and C&LM revenues decreased a combined $0.8 million, or 5.6%, of Total Gas Operating Revenues in three months ended March 31, 2008 compared to the same period in 2007, primarily reflecting lower natural gas sales and an increase in the amount of natural gas purchased by customers directly from third-party suppliers. Purchased Gas revenues include the recovery of the cost of gas supply as well as the other energy supply related costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Gas sales margin increased $0.9 million in the three months ended March 31, 2008 compared to the same period in 2007 reflecting higher gas base rates, implemented in 2007.

Operating Revenue - Other

The following table details total Other Operating Revenue for the three months ended March 31, 2008 and 2007:

Other Operating Revenue (Millions)

	Three Months Ended March 31,			
	2008	2007	$ Change	% Change
Other	**$ 1.0**	$ 0.9	$ 0.1	11.1%
Total Other Operating Revenue	**$ 1.0**	$ 0.9	$ 0.1	11.1%

Total Other Operating Revenue increased $0.1 million, or 11.1%, in the three month period ended March 31, 2008 compared to the same period in 2007. The increase was the result of growth in revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

Purchased Electricity – Purchased Electricity expenses include the cost of electric supply as well as the other energy supply related restructuring costs, including long-term power supply contract buyout costs. Purchased Electricity decreased $5.3 million, or 11.0%, in the three month period ended March 31, 2008 compared to the same period in 2007, reflecting lower electric kWh sales, an increase in the amount of electricity purchased by customers directly from third-party suppliers and lower electric commodity prices. The Company recovers the costs of Purchased Electricity in its rates at cost on a pass through basis and therefore changes in these expenses do not affect Net Income.

Purchased Gas – Purchased Gas expenses include the cost of gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas decreased $0.8 million, or 8.2%, in the three month period ended March 31, 2008 compared to the same period in 2007, primarily reflecting lower natural gas sales and an increase in the amount of natural gas purchased by customers directly from third-party suppliers. The Company recovers the costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect Net Income.

Operation and Maintenance (O&M) - O&M expense includes electric and gas utility operating costs, and the operating cost of the Company's unregulated business activities. Total O&M expenses decreased $1.8 million for the three month period ended March 31, 2008 compared to the same period in 2007. This decrease reflects a reduction to operating expenses of $2.8 million from the proceeds of an insurance settlement associated with environmental remediation costs. This reduction to operating expenses was partially offset by annual increases in salary, wage and benefit costs of $0.7 million, higher professional fees of $0.2 million and higher bad debt expenses of $0.1 million.

Conservation & Load Management – C&LM expenses are associated with the development, management, and delivery of the Company's Energy Efficiency programs. Energy Efficiency programs are designed, in conformity with state regulatory requirements, to help consumers use electricity and natural gas more efficiently and thereby decrease their energy costs. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 90% of these costs are related to electric operations and 10% to gas operations.

Total C&LM expenses decreased by $0.4 million, or 40.0%, in three month period ended March 31, 2008 compared to the same period in 2007. The decrease reflects the timing of spending on the implementation of Energy Efficiency programs. These costs are collected from customers on a pass through basis and therefore, fluctuations in program costs have no impact on Net Income.

Depreciation, Amortization and Taxes

Depreciation and Amortization - Depreciation and Amortization expense increased $0.7 million, or 15.6%, for the three month period ended March 31, 2008 compared to the same period in 2007. This increase primarily reflects the amortization of $0.7 million of natural gas inventory carrying costs deferred under a previous regulatory ruling.

Local Property and Other Taxes - Local Property and Other Taxes increased by $0.2 million, or 13.3% for the three month period ended March 31, 2008 compared to the same period in 2007. This increase was due to higher property tax rates on increased property assessments and higher payroll taxes on higher compensation expenses.

Federal and State Income Taxes - Federal and State Income Taxes were higher by $0.2 million for the three months ended March 31, 2008 compared to the same period in 2007 reflecting higher pre-tax earnings.

Other Non-Operating Expense

Other Non-Operating Expense increased by $0.1 million in the three month period ended March 31, 2008 compared to the same period in 2007. This increase reflects an adjustment of $0.1 million in conjunction with the Company's recently approved electric base distribution rate increase in Massachusetts.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. Certain reconciling rate mechanisms used by the Company's distribution operating utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

The Company operates a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the Company's tariff, interest is accrued on these balances and will produce either interest income or interest expense. Interest income is recorded on an under-collection of costs, which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

Interest Expense, Net (millions)	**Three Months Ended March 31,**		
	2008	2007	Change
Interest Expense			
Long-term Debt	**$ 2.9**	$ 2.6	$ 0.3
Short-term Debt	**0.2**	0.4	(0.2)
Regulatory Liabilities	**---**	---	---
Subtotal Interest Expense	**3.1**	3.0	0.1
Interest Income			
Regulatory Assets	**(0.6)**	(0.8)	0.2
AFUDC and Other	**0.1**	(0.1)	0.2
Subtotal Interest Income	**(0.5)**	(0.9)	0.4
Total Interest Expense, Net	**$ 2.6**	$ 2.1	$ 0.5

Interest Expense, Net increased by $0.5 million in the three month period ended March 31, 2008 compared to the same period in 2007. Interest expense on long-term borrowings increased due to the issuance of new long-term debt by Unitil on May 2, 2007. Unitil issued and sold $20 million of Senior Long-Term Notes at a coupon rate of 6.33%, through a private placement to institutional investors. The Company utilized the proceeds from the long-term Note financing to refinance existing short-term debt and for other corporate purposes of the Company's principal utility subsidiaries. The resulting reduction in average daily short-term bank borrowings lowered short-term interest expense for the first quarter of 2008 compared to the same period in 2007. An adjustment of $0.2 million related to earnings on funds used for capital projects ordered in conjunction with the Company's recently approved electric base distribution rate increase in Massachusetts and lower carrying charges earned on regulatory assets also contributed to the increase in Interest Expense, Net.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities, excluding payment of dividends. The Company initially supplements internally generated funds through bank borrowings, as needed, under unsecured short-term bank lines. The Company had short-term debt outstanding through bank borrowings of $16.7 and $29.7 at March 31, 2008 and March 31, 2007, respectively. In addition, Unitil had approximately $4.0 million in cash at March 31, 2008. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions, if any; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

On February 15, 2008, the Company entered into a Stock Purchase Agreement with NiSource and Bay State to acquire all of the outstanding stock of Northern Utilities, Inc. and Granite State Gas Transmission, Inc. The Company has entered into a senior unsecured bridge facility, which is available to finance this transaction. The Company anticipates either financing the initial acquisition or refinancing the bridge facility with the issuance of a combination of unsecured senior notes and common/or preferred equity securities.

The Company provides limited guarantees on certain energy contracts entered into by its regulated subsidiary companies. The Company's policy is to limit these guarantees to the duration of the contracts, which range from less than one month to two and one-half years. As of March 31, 2008, there were approximately $6.0 million of guarantees outstanding and the longest term guarantee extends through October 31, 2009.

The tables below summarize the major sources and uses of cash (in millions) for the three months ended March 31, 2008, compared to the same period in 2007.

Cash Provided by Operating Activities	**$ 7.9**	$ 6.1

Cash Provided by Operating Activities - Cash Provided by Operating Activities was $7.9 million during the first three months ended March 31, 2008, an increase of $1.8 million over the comparable period in 2007. Cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes of $1.0 million, was $1.7 million higher in the first three months of 2008 compared to 2007. Working Capital related cash flows increased by $0.6 million during the first three months of 2008 compared to the same period in 2007. Deferred Restructuring Charges were a $1.0 million source of cash in the first quarter of 2008 compared to the same period in 2007. These charges were deferred in prior periods for collection current rates. All other changes in operating activities were a net $1.5 million in uses of cash in the first three months of 2008 compared to 2007, including a $2.8 million source of cash from the insurance settlement discussed above.

Cash (Used in) Investing Activities	**$**	**(4.5)**	$	(9.6)

Cash (Used in) Investing Activities - Cash (Used in) Investing Activities was $4.5 million for the three months ended March 31, 2008 reflecting a source of cash due to a decrease in capital spending of $5.1 million over the comparable period in 2007 mainly due to the completion of the Company's Advanced Metering Infrastructure ("AMI") project. In the first quarter 2007, capital expenditures included approximately $2.8 million of cash outlays for investment in the AMI project. Capital expenditure projections are subject to changes during the fiscal year.

Cash Provided by (Used in) Financing Activities	**$**	**(4.0)**	$	1.7

Cash Provided by (Used in) Financing Activities - Cash Used in Financing Activities was $4.0 million in the three months ended March 31, 2008, a decrease of $5.7 million over the comparable period in 2007. Cash provided from short-term debt declined by $5.8 million in the first quarter of 2008, principally reflecting the repayment of short-term debt from the proceeds of an insurance settlement. All other cash flows provided from other financing activities aggregated to a net $0.1 million increase in the first three months of 2008 as compared to the same period in 2007.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, management is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgments, the financial statements of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 12, 2008.

Regulatory Accounting - The Company's principal business is the distribution of electricity and natural gas by the retail distribution companies: UES and FG&E. Both UES and FG&E are subject to regulation by the FERC and FG&E is regulated by the MDPU and UES is regulated by the NHPUC. Accordingly, the Company uses the provisions of FASB Statement No. 71, "Accounting for the Effects of Certain Types of Regulation." (SFAS No. 71). In accordance with SFAS No. 71, the Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

The Company's principal regulatory assets and liabilities are detailed on the Company's Consolidated Balance Sheet and a summary of the Company's Regulatory Assets is provided below. The Company receives a return on investment on its regulated assets for which a cash outflow has been made.

Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated utility companies will recover their investments in long-lived assets, including regulatory assets. The Company also has commitments under long-term contracts for the purchase of electricity and natural gas from various suppliers. The annual costs under these contracts are included in Purchased Electricity and Purchased Gas in the Consolidated Statements of Earnings and these costs are recoverable in current and future rates under various orders issued by the FERC, MDPU and NHPUC.

Regulatory Assets consist of the following (millions)	March 31, 2008	March 31, 2007	December 31, 2007
Power Supply Buyout Obligations	**$ 67.7**	$ 87.6	$ 72.7
Deferred Restructuring Costs	**29.6**	30.9	30.5
Generation-related Assets	**1.4**	2.1	1.6
Subtotal – Restructuring Related Items	**98.7**	120.6	104.8
Retirement Benefit Obligations	**35.1**	37.1	35.1
Income Taxes	**14.2**	18.7	14.6
Environmental Obligations	**13.3**	13.0	13.1
Other	**3.0**	3.9	2.9
Total Regulatory Assets	**$ 164.3**	$ 193.3	$ 170.5

If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of SFAS No. 71. If unable to continue to apply the provisions of SFAS No. 71, the Company would be required to apply the provisions of FASB Statement No. 101, "Regulated Enterprises – Accounting for the Discontinuation of Application of Financial Accounting Standards Board Statement No. 71." In the Company's opinion, its regulated operations will be subject to SFAS No. 71 for the foreseeable future.

Utility Revenue Recognition - Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. The determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts - The Company recognizes a Provision for Doubtful Accounts each month. The amount of the monthly Provision is based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. Account write-offs, net of recoveries, are processed monthly. At the end of each month, an analysis of the delinquent receivables is performed and the adequacy of the Allowance for Doubtful Accounts is reviewed. The analysis takes into account an assumption about the cash recovery of delinquent receivables and also uses calculations related to customers who have chosen payment plans to resolve their arrears. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company is authorized by regulators to recover the supply-related portion of its written-off accounts from customers through periodically reconciling rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. Also, the Company has experienced periods when state regulators have extended the periods during which certain standard credit and collection activities of utility companies are suspended. In periods when account write-offs exceed estimated levels, the Company adjusts the Provision for Doubtful Accounts to maintain an adequate Allowance for Doubtful Accounts balance. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

Retirement Benefit Obligations - The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company

sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

In September 2006, the FASB issued FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", (SFAS No. 158), an amendment of SFAS No. 87, "Employers' Accounting for Pensions", SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," SFAS No. 106, "Employers' Accounting for Postretirement Benefits other than Pensions" and SFAS No. 132(R), "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS No. 158 requires companies to record on their balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas retail rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's health care cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs. The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO.

If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2007 and 2006, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $200,000 in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2007 and 2006, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $690,000 and $683,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $539,000 and $530,000, respectively. (See Note 8)

Income Taxes - Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of income is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets. The Company accounts for income tax assets, liabilities and expenses in accordance with FASB Statement No. 109, "Accounting for Income Taxes" (SFAS No. 109) and under FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109.

Depreciation - Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies - The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with SFAS No. 5. SFAS No. 5 applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of March 31, 2008, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to "Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

There are approximately 100 employees of the Company represented by labor unions. In May 2005, the Company reached agreements with its bargaining units for new five-year contracts, effective June 1, 2005. These agreements replace contracts that expired on May 31, 2005.

INTEREST RATE RISK

The majority of the Company's debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new long-term debt securities issued by the Company. In addition, the Company's short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease the Company's interest expense in future periods. For example, if the Company had an average amount of short-term debt outstanding of $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000 (pre-tax). The average interest rates on the Company's short-term borrowings for the three months ended March 31, 2008 and March 31, 2007 were 3.84% and 5.77%, respectively.

MARKET RISK

Although Unitil's utility operating companies are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions, except common shares and per share data)
(UNAUDITED)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Operating Revenues		
Electric	**$ 56.6**	$ 62.7
Gas	**14.3**	14.2
Other	**1.0**	0.9
Total Operating Revenues	**71.9**	77.8
Operating Expenses		
Purchased Electricity	**42.9**	48.2
Purchased Gas	**9.0**	9.8
Operation and Maintenance	**4.7**	6.5
Conservation & Load Management	**0.6**	1.0
Depreciation and Amortization	**5.2**	4.5
Provisions for Taxes:		
Local Property and Other	**1.7**	1.5
Federal and State Income	**1.8**	1.6
Total Operating Expenses	**65.9**	73.1
Operating Income	**6.0**	4.7
Other Non-Operating Expense	**0.1**	---
Income Before Interest Expense	**5.9**	4.7
Interest Expense, Net	**2.6**	2.1
Net Income	**3.3**	2.6
Less: Dividends on Preferred Stock	**---**	---
Earnings Applicable to Common Shareholders	**$ 3.3**	$ 2.6
Average Common Shares Outstanding – Basic (000's)	**5,719**	5,627
Average Common Shares Outstanding – Diluted (000's)	**5,724**	5,644
Earnings Per Common Share (Basic and Diluted)	**$ 0.57**	$ 0.46
Dividends Declared Per Share of Common Stock	**$ 0.69**	$ 0.69

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)

	(UNAUDITED) March 31, 2008	March 31, 2007	December 31, 2007
ASSETS:			
Utility Plant:			
Electric	**$ 271.3**	$ 255.3	$ 266.2
Gas	**69.2**	63.9	67.8
Common	**27.2**	25.3	26.2
Construction Work in Progress	**4.9**	17.2	20.3
Total Utility Plant	**372.6**	361.7	380.5
Less: Accumulated Depreciation	**123.2**	124.0	131.6
Net Utility Plant	**249.4**	237.7	248.9
Current Assets:			
Cash	**4.0**	2.8	4.6
Accounts Receivable – Net of Allowance for Doubtful Accounts of $1.4, $2.0 and $1.3	**28.9**	28.4	24.9
Accrued Revenue	**14.0**	12.0	12.7
Refundable Taxes	**---**	---	0.7
Materials and Supplies	**2.5**	2.5	4.5
Prepayments and Other	**1.2**	1.1	1.5
Total Current Assets	**50.6**	46.8	48.9
Noncurrent Assets:			
Regulatory Assets	**164.3**	193.3	170.5
Debt Issuance Costs, net	**2.8**	2.5	2.8
Other Noncurrent Assets	**2.2**	2.8	3.5
Total Noncurrent Assets	**169.3**	198.6	176.8
TOTAL	**$ 469.3**	$ 483.1	$ 474.6

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) March 31, 2008	March 31, 2007	December 31, 2007
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 100.0**	$ 96.8	$ 100.4
Preferred Stock, Non-Redeemable, Non-Cumulative	**0.2**	0.2	0.2
Preferred Stock, Redeemable, Cumulative	**1.9**	1.9	1.9
Long-Term Debt, Less Current Portion	**159.6**	140.0	159.6
Total Capitalization	**261.7**	238.9	262.1
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.3	0.4
Capitalized Leases, Current Portion	**0.3**	0.2	0.3
Short-Term Debt	**16.7**	29.7	18.8
Accounts Payable	**15.6**	17.9	17.6
Taxes Payable	**2.2**	2.1	---
Interest and Dividends Payable	**5.0**	4.5	1.9
Other Current Liabilities	**4.4**	3.9	5.1
Total Current Liabilities	**44.6**	58.6	44.1
Deferred Income Taxes	**31.9**	33.8	33.4
Noncurrent Liabilities:			
Power Supply Contract Obligations	**67.7**	87.6	72.7
Retirement Benefit Obligations	**49.6**	51.0	48.2
Environmental Obligations	**12.0**	12.0	12.0
Capitalized Leases, Less Current Portion	**0.4**	0.1	0.5
Other Noncurrent Liabilities	**1.4**	1.1	1.6
Total Noncurrent Liabilities	**131.1**	151.8	135.0
TOTAL	**$ 469.3**	$ 483.1	$ 474.6

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Three Months Ended March 31, 2008	2007
Operating Activities:		
Net Income	**$ 3.3**	$ 2.6
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	**5.2**	4.5
Deferred Taxes	**(0.2)**	(0.5)
Changes in Current Assets and Liabilities:		
Accounts Receivable	**(4.0)**	(5.9)
Accrued Revenue	**(1.3)**	1.8
Accounts Payable	**(2.0)**	(1.9)
Taxes Payable	**2.9**	1.2
All other Current Assets and Liabilities	**2.6**	2.4
Deferred Restructuring Charges	**1.0**	---
Other, net	**0.4**	1.9
Cash Provided by Operating Activities	**7.9**	6.1
Investing Activities:		
Property, Plant and Equipment Additions	**(4.5)**	(9.6)
Cash (Used in) Investing Activities	**(4.5)**	(9.6)
Financing Activities:		
Proceeds from (Repayment of) Short-Term Debt	**(2.1)**	3.7
Dividends Paid	**(2.0)**	(2.0)
Issuance of Common Stock	**0.2**	0.3
Other, net	**(0.1)**	(0.3)
Cash Provided by (Used in) Financing Activities	**(4.0)**	1.7
Net (Decrease) in Cash	**(0.6)**	(1.8)
Cash at Beginning of Period	**4.6**	4.6
Cash at End of Period	**$ 4.0**	$ 2.8
Supplemental Cash Flow Information:		
Interest Paid	**$ 2.1**	$ 2.0
Income Taxes Paid	**0.2**	1.8

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three months ended March 31, 2008 are not necessarily indicative of results to be expected for the year ending December 31, 2008. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2007, as filed with the SEC on February 12, 2008, for a description of the Company's Basis of Presentation.

Nature of Operations - Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. Prior to the passage of the Energy Policy Act of 2005, Unitil and its subsidiaries were subject to regulation as a registered holding company system under the Public Utility Holding Company Act of 1935 (PUHCA) by the Securities and Exchange Commission (SEC). As a result of the enactment of the Energy Policy Act of 2005, PUHCA has been repealed. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (UES), Fitchburg Gas and Electric Light Company (FG&E), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

Unitil's principal business is the retail distribution of electricity in the southeastern seacoast and capital city areas of New Hampshire and the retail distribution of both electricity and natural gas in the greater Fitchburg area of north central Massachusetts, through the Company's two wholly-owned subsidiaries, UES and FG&E, collectively referred to as the retail distribution utilities.

A third utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for UES. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of UES on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve UES' customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service, Unitil Realty and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Recently Issued Pronouncements – In March 2008, the FASB issued FASB Statement No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS No. 161) , effective for fiscal years and interim periods beginning after November 15, 2008, with early adoption allowed. SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 with the intent to provide users of financial statements with an enhanced understanding of an entity's use of derivative instruments and the effect of those derivative instruments on an entity's financial statements. The Company adopted SFAS No. 161 and there was no impact on its financial statements.

In December 2007, the FASB issued FASB Statement No. 141 (Revised 2007), "Business Combinations" (SFAS No. 141R), effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 141R establishes principles and requirements on how an acquirer recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, noncontrolling interests in the acquiree, goodwill or gain from a bargain purchase and accounting for transaction costs. Additionally, SFAS No. 141R determines what information must be disclosed to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The Company will adopt SFAS No. 141R upon its effective date and expects the adoption to affect any business combinations effected on or subsequent to that date.

In September 2006, the FASB issued FASB Statement No. 157, "Fair Value Measurements", (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Certain requirements of SFAS No. 157 are effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The effective date for other requirements of SFAS No. 157 has been deferred for one year by the FASB. The Company adopted the sections of SFAS No. 157 which are effective for fiscal years beginning after November 15, 2007 and there was no additional impact on the Company's Consolidated Financial Statements. The Company's fixed rate long-term debt falls under the fair value reporting requirements of SFAS No. 157. Accordingly, the Company has estimated the fair value of its long-term debt as of March 31, 2008 based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities (See Note 4). The Company does not expect that the adoption of the deferred sections of SFAS No. 157 will have an impact on the Company's Consolidated Financial Statements.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
03/20/08	05/15/08	05/01/08	$ 0.345
01/17/08	02/15/08	02/01/08	$ 0.345
09/13/07	11/15/07	11/01/07	$ 0.345
06/21/07	08/15/07	08/01/07	$ 0.345
03/22/07	05/15/07	05/01/07	$ 0.345
01/18/07	02/15/07	02/01/07	$ 0.345

NOTE 3 – COMMON STOCK AND PREFERRED STOCK

During the first quarter of 2008, the Company sold 7,596 shares of its Common Stock, at an average price of $27.94 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $212,000 were used to reduce short-term borrowings.

During the first quarter of 2007, the Company sold 9,628 shares of its Common Stock, at an average price of $26.19 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $252,000 were used to reduce short-term borrowings.

The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 6, 2008, 15,540 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $445,998. Compensation expense associated with shares issued under the Plan is recognized ratably as the shares vest and was $0.1 million and $0.1 million for three months ended March 31, 2008 and 2007, respectively. At March 31, 2008, there was approximately $1.1 million of total unrecognized compensation cost related to non-vested shares under the Plan which is expected to be recognized over approximately 2.9 years as the shares vest.

Details on preferred stock at March 31, 2008, March 31, 2007 and December 31, 2007 are shown below:

(Amounts in Millions)

	(Unaudited) March 31, 2008	(Unaudited) March 31, 2007	December 31, 2007
Preferred Stock			
UES Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	**$ 0.2**	$ 0.2	$ 0.2
FG&E Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	**0.9**	0.9	0.9
8.00% Series, $100 Par Value	**1.0**	1.0	1.0
Total Preferred Stock	**$ 2.1**	$ 2.1	$ 2.1

NOTE 4 – LONG-TERM DEBT

Details on long-term debt at March 31, 2008, March 31, 2007 and December 31, 2007 are shown below:

(Amounts in Millions)

	(Unaudited) March 31, 2008	(Unaudited) March 31, 2007	December 31, 2007
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	$ **20.0**	$ ---	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due August 1, 2017	**5.0**	5.3	5.0
Total Long-Term Debt	**160.0**	140.3	160.0
Less: Current Portion	**0.4**	0.3	0.4
Total Long-term Debt, Less Current Portion	**$ 159.6**	$ 140.0	$ 159.6

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at March 31, 2008 is estimated to be approximately $166 million, before considering any costs, including prepayment costs, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

The Company provides limited guarantees on certain energy contracts entered into by its regulated subsidiary companies. The Company's policy is to limit these guarantees to two years or less. As of March 31, 2008 there are $6 million of guarantees outstanding and these guarantees extend through October 31, 2009. These guarantees are not required to be recorded under the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others."

NOTE 5 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three months ended March 31, 2008 and March 31, 2007:

Three Months Ended March 31, 2008 (Millions)	**Electric**	**Gas**	**Other**	**Non-Regulated**	**Total**
Revenues	**$ 56.6**	**$ 14.3**	**$ ---**	**$ 1.0**	**$ 71.9**
Segment Profit	**0.5**	**2.8**	**(0.1)**	**0.1**	**3.3**
Identifiable Segment Assets	**330.2**	**111.2**	**26.9**	**1.0**	**469.3**
Capital Expenditures	**4.2**	**0.3**	**---**	**---**	**4.5**

Three Months Ended March 31, 2007 (Millions)					
Revenues	$ 62.7	$ 14.2	$ ---	$ 0.9	$ 77.8
Segment Profit (Loss)	1.4	1.1	0.1	---	2.6
Identifiable Segment Assets	347.1	114.0	20.9	1.1	483.1
Capital Expenditures	9.1	0.7	(0.2)	---	9.6

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 5 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2007 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 12, 2008.

FG&E – Electric Division – On December 3, 2007, FG&E submitted its annual reconciliation of costs and revenues for Transition, Transmission, Standard Offer Service, and Default Service filed under its restructuring plan (the Annual Reconciliation Filing). The rates were approved effective January 1, 2008, subject to reconciliation pursuant to the MDPU's investigation. This matter remains pending.

On August 17, 2007, FG&E filed an electric distribution rate increase of $3.3 million, which represented an increase of 4.7 percent over FG&E's 2006 total electric operating revenue. Evidentiary hearings were held in November 2007 and briefing was completed in January 2008. On February 29, 2008, the Company received a final order from the MDPU approving an electric distribution rate increase of $2.1 million, which represents an increase of 3.0 percent over FG&E's 2006 total electric operating revenue. The order also provides for recovery of approximately $0.1 million annually of supply-related operating and administrative costs through default service rates. The new electric rates were effective as of March 1, 2008.

FG&E – Other – On June 22, 2007, the MDPU opened an inquiry into revenue decoupling, generally defined as a ratemaking mechanism designed to eliminate or reduce the dependence of a utility's distribution revenues on sales. Revenue decoupling is intended to remove the disincentive a utility has to administer and promote customer efforts to reduce energy consumption and demand or to install distributed generation to displace electricity delivered by the utility. This matter remains pending.

UES – On March 14, 2008, UES made its annual reconciliation and rate filing with the NHPUC under its restructuring plan, effective May 1, 2008, including reconciliation of prior year costs and revenues, power supply and power supply-related stranded costs. The filing is pending, subject to investigation. A hearing is scheduled for April 22, 2008.

On June 22, 2007, the NHPUC issued an order in its investigation into implementation of the federal Energy Policy Act of 2005 regarding the adoption of standards for time-based metering and interconnection. On August 31, 2007, the NHPUC issued an order on motion for rehearing, staying the June 22, 2007 order pending hearing and reconsideration of the issues. An order following rehearing was issued on January 22, 2008 finding that it is appropriate to implement time-based metering standards and ordering that the details, including cost-benefit analyses, form of rate design, time of implementation and applicable customer classes shall be determined in separate proceedings to be initiated by the Commission.

On May 14, 2007, the NHPUC issued an order opening an investigation into the merits of instituting appropriate rate mechanisms, such as revenue decoupling, which would have the effect of removing obstacles to, and encouraging investment in, energy efficiency. On March 13, 2008, the NHPUC issued a letter seeking written comments regarding the utilities experience with declining sales attributable to energy conservation, energy efficiency, and demand response and whether existing rate treatment poses an obstacle to investment in energy efficiency. Comments are due April 11, 2008.

Unitil Corp. – On February 15, 2008, Unitil reached agreement with NiSource Inc. and Bay State Gas Company to purchase 100 percent of the ownership shares of Northern Utilities, Inc. and Granite State Gas Transmission, Inc. for $160 million plus a net working capital adjustment. The Company has entered into a senior unsecured bridge facility, which is available to finance this transaction. The Company anticipates either financing the initial acquisition or refinancing the bridge facility with the issuance of a combination of unsecured senior notes and common/or preferred equity securities. On March 31, 2008, Unitil filed petitions and testimony with both the Maine Public Utilities Commission and the New Hampshire Public Utilities Commission requesting approval of the acquisitions. As of March 31, 2008, the Company has capitalized $1.1 million of transaction costs associated with the acquisition. The transaction is expected to close by the fourth quarter of 2008, subject to approval by these commissions and review by certain federal agencies.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 5 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2007 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 12, 2008.

The Company's past and present operations include activities that are generally subject to extensive federal and state environmental laws and regulations. The Company believes it is in compliance with all applicable environmental and safety laws and regulations, and the Company believes that as of March 31, 2008, there are no material losses reasonably possible in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included on the Company's Consolidated Balance Sheet at March 31, 2008, in Environmental Obligations is $12.0 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant site at Sawyer Passway, located in Fitchburg, Massachusetts. A corresponding regulatory asset was recorded to reflect the future rate recovery of these costs. As noted above, please refer to Note 5 to the financial statements in Item 8 of Part II of the Company's Form 10-K for December 31, 2007 for additional information. As discussed above, the Company received an insurance settlement during the first quarter of 2008. Any recovery that FG&E receives from insurance or third parties with respect to environmental response costs, net of the unrecovered costs associated therewith, are split equally between FG&E and its gas customers.

NOTE 8: RETIREMENT BENEFIT OBLIGATIONS

The Company sponsors the following retirement benefit plans to provide certain pension and postretirement benefits for its retirees and current employees as follows:

- The Unitil Corporation Retirement Plan (Pension Plan) - The Pension Plan is a defined benefit pension plan covering substantially all of its employees. Under the Pension Plan, retirement benefits are based upon an employee's level of compensation and length of service.
- The Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan) – The PBOP Plan provides health care and life insurance benefits to retirees. The Company has established Voluntary Employee Benefit Trusts (VEBT), into which it funds contributions to the PBOP Plan.
- The Unitil Corporation Supplemental Executive Retirement Plan (SERP) – The SERP is an unfunded retirement plan, with participation limited to executives selected by the Board of Directors.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2008	2007
Used to Determine Plan Costs		
Discount Rate	**6.00%**	5.50%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.50%**	9.00%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2016
Used to Determine Benefit Obligations:		
Discount Rate	**6.00%**	5.50%
Rate of Compensation Increase	**3.50%**	3.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.50%**	8.50%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health care Cost Trend Rate is reached	**2017**	2016

The following table provides the components of the Company's Retirement plan costs ($000's):

	Pension Plan		PBOP Plan		SERP	
Three Months Ended March 31,	**2008**	2007	**2008**	2007	**2008**	2007
Service Cost	**$ 488**	$ 492	**$ 355**	$ 358	**$ 37**	$ 41
Interest Cost	**944**	834	**559**	514	**32**	29
Expected Return on Plan Assets	**(1,093)**	(1,047)	**(81)**	(61)	**---**	---
Prior Service Cost Amortization	**27**	27	**340**	340	**---**	---
Transition Obligation Amortization	**---**	---	**5**	5	**---**	---
Actuarial Loss Amortization	**319**	336	**---**	17	**6**	11
Sub-total	**685**	642	**1,178**	1,173	**75**	81
Amounts Capitalized and Deferred	**(201)**	(217)	**(439)**	(513)	**---**	---
Net Periodic Benefit Cost Recognized	**$ 484**	$ 425	**$ 739**	$ 660	**$ 75**	$ 81

Employer Contributions

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. Included in the PPA are new minimum funding rules which will go into effect for plan years beginning in 2008. The funding target will be 100% of a plan's liability with any shortfall amortized over seven years, with lower (92% - 100%) funding targets available to well-funded plans during the transition period. The Company expects to contribute approximately $2.8 million to fund its Pension Plan in 2008.

As of March 31, 2008, the Company had made $0.5 million and $18,000 of contributions to the PBOP and SERP Plans, respectively, in 2008. The Company presently anticipates contributing an additional $2.0 million and $54,000 to the PBOP and SERP Plans, respectively, in 2008.

NOTE 9: INCOME TAXES

The Company bills its customers sales tax in Massachusetts and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2007 and for the current interim reporting period ended March 31, 2008 in accordance with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by FIN 48 is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2004; December 31, 2005; and December 31, 2006. Income tax filings for the year ended December 31, 2007 have been extended and are due September 15, 2008. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no interest and penalties recognized in the statement of earnings or accrued on the balance sheets.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company’s Form 10-K for the year-ended December 31, 2007 as filed with the Securities and Exchange Commission on February 12, 2008, other than the risks associated with the Company’s recently announced acquisition of Northern and Granite, as discussed in the Cautionary Statement section of Part I, Item 2 of this Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended March 31, 2008.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), adopted by the Company on March 20, 2008, the Company periodically repurchases shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors’ annual retainer. The Company may suspend or terminate its Rule 10b5-1 trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws. There is no pool or maximum number of shares related to these purchases. There were no Company repurchases during the three months ended March 31, 2008.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated April 23, 2008 Announcing Earnings For the Quarter Ended March 31, 2008.	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL CORPORATION
(Registrant)

Date: April 24, 2008 /s/ Mark H. Collin
Mark H. Collin
Chief Financial Officer

Date: April 24, 2008 /s/ Laurence M. Brock
Laurence M. Brock
Chief Accounting Officer

EXHIBIT 11

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING
(Millions, except for per share data)
(UNAUDITED)

	Three Months Ended March 31,	
	2008	2007
Net Income	**$3.3**	$2.6
Less: Dividend Requirements on Preferred Stock	**---**	---
Net Income Applicable to Common Stock	**$3.3**	$2.6
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**5,719**	5,627
Dilutive Effect of Stock Options and Restricted Stock (000's)	**5**	17
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**5,724**	5,644
Earnings Per Share – Basic	**$0.57**	$0.46
Earnings Per Share – Diluted	**$0.57**	$0.46

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2008

/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2008

/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2008

/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending March 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	April 24, 2008
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	April 24, 2008
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	April 24, 2008

Unitil
We deliver.
It's that simple.

For Immediate Release

Exhibit 99.1

Contact: Mark H. Collin
Phone: 603-773-6612
Fax: 603-773-6605
Email: collin@unitil.com

Unitil Reports First Quarter Earnings

Hampton, NH – April 23, 2008: Unitil Corporation (AMEX: UTL) (www.unitil.com) today announced net income of $3.3 million for the first quarter of 2008, an increase of $0.7 million over net income for the first quarter of 2007. Earnings per common share (EPS) were $0.57 for the three months ended March 31, 2008, an improvement of $0.11 per share, or 24%, over the first quarter of 2007.

Unitil's improved first quarter earnings in 2008 over 2007 were driven by higher gas sales margin and lower operating expenses, including the benefit from the proceeds of an insurance settlement associated with environmental remediation costs. These favorable factors were partially offset by higher amortization expenses and higher interest expense in the current year.

"We achieved a number of significant milestones in the first quarter of 2008 including the announcement of a Definitive Agreement with NiSource Inc. for the purchase of Northern Utilities and Granite State Gas Transmission," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "We also concluded an electric base rate case in Massachusetts providing an annualized revenue increase going forward of $2.1 million and achieved an important insurance settlement."

Unitil has filed with the New Hampshire and Maine Public Utilities Commission for approval of its acquisition of Northern Utilities for a purchase price of $160 million plus working capital. The transaction is expected to close in the fourth quarter of 2008.

The following table presents the significant items contributing to the improvement in earnings per share in the first quarter of 2008:

	Earnings Per Share
Three Months Ended March 31, 2007:	**$ 0.46**
Electric Sales Margin	(0.04)
Gas Sales Margin	0.10
Usource™ Sales Margin	0.01
Operation & Maintenance Expense	0.19
Depreciation, Amortization, Taxes & Other	(0.10)
Interest Expense, Net	(0.05)
Three Months Ended March 31, 2008:	**$ 0.57**

Total electric kilowatt (kWh) sales decreased 1.4% in the three month period ended March 31, 2008 compared to the same period in 2007. Gas sales in the three month period ended March 31, 2008 decreased 1.7% compared to the same period in 2007. The lower unit sales in 2008 compared to 2007 were driven by milder winter weather this year and lower average usage by our customers reflecting a slowing economy and energy conservation.

Electric sales margin was lower by $0.4 million in the three months ended March 31, 2008 compared to the same period in 2007 due to lower electric kWh sales volumes, partially offset by higher electric base rates.

Gas sales margin increased $0.9 million in the three months ended March 31, 2008 compared to the same period in 2007 reflecting higher gas base rates, implemented in 2007.

Usource™ revenues increased $0.1 million in the three month period ended March 31, 2008 over the comparable 2007 period.

Selected financial data for 2008 is presented in the following table:

Unitil Corporation - Condensed Financial Data

(Millions, except Per Share Data) (Unaudited)

	Three Months Ended March 31,		
	2008	**2007**	**Change**
Electric Kilowatt-Hours:			
Residential	182.4	184.0	(0.9%)
Commercial/Industrial	261.1	265.6	(1.7%)
Total Electric kWh Sales	**443.5**	**449.6**	**(1.4%)**
Gas Therms:			
Residential	4.8	4.9	(2.0%)
Commercial/Industrial	6.8	6.9	(1.4%)
Total Gas Therm Sales	**11.6**	**11.8**	**(1.7%)**
Electric Revenues	**$ 56.6**	**$ 62.7**	**$ (6.1)**
Purchased Electricity	43.5	49.2	(5.7)
Electric Sales Margin	**13.1**	**13.5**	**(0.4)**
Gas Revenues	**14.3**	**14.2**	**0.1**
Purchased Gas	9.0	9.8	(0.8)
Gas Sales Margin	**5.3**	**4.4**	**0.9**
Usource™ Sales Margin	**1.0**	**0.9**	**0.1**
Operation & Maintenance	4.7	6.5	(1.8)
Depreciation, Amortization, Taxes & Other	8.8	7.6	1.2
Interest Expense, Net	2.6	2.1	0.5
Net Income	**$ 3.3**	**$ 2.6**	**$ 0.7**
Earnings Per Share	**$ 0.57**	**$ 0.46**	

Total Operation & Maintenance (O&M) expenses decreased $1.8 million for the three month period ended March 31, 2008 compared to the same period in 2007. This decrease reflects a reduction to operating expenses of $2.8 million from the proceeds of an insurance settlement associated with environmental remediation costs. This reduction to operating expenses was partially offset by annual increases in salary, wage and benefit costs of $0.7 million, higher professional fees of $0.2 million and higher bad debt expenses of $0.1 million.

Depreciation, Amortization, Taxes & Other expenses increased $1.2 million in the three month period ended March 31, 2008 compared to the same period in 2007 primarily reflecting the amortization of $0.7 million of natural gas inventory carrying costs and higher income taxes on higher levels of pre-tax earnings in 2008 compared to 2007.

Interest Expense, Net increased $0.5 million in the three month period ended March 31, 2008 compared to the same period in 2007 primarily reflecting higher debt outstanding.

Also in the first quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

About Unitil

Unitil is a public utility holding company with subsidiaries providing electric service in New Hampshire and electric and gas service in Massachusetts and energy services throughout the Northeast. Its subsidiaries include Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Service Corp. and its non-regulated business segment Unitil Resources, Inc. Usource L.L.C. is a subsidiary of Unitil Resources, Inc. Usource™ is a registered trademark of Unitil Resources, Inc.

This press release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. All statements, other than statements of historical fact, are forward-looking statements. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to the following: variations in weather; changes in the regulatory environment; customers' preferences on energy sources; general economic conditions; increased competition; fluctuations in supply, demand, transmission capacity and prices for energy commodities; and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of Unitil Corporation.

For more information, visit Unitil at www.unitil.com or call Mark Collin at 603-773-6612.

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended June 30, 2008

Commission File Number 1-8858

UNITIL CORPORATION

(Exact name of registrant as specified in its charter)

New Hampshire	**02-0381573**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6 Liberty Lane West, Hampton, New Hampshire	**03842-1720**
(Address of principal executive office)	*(Zip Code)*

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes_X__ No___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer___ Accelerated filer__X__ Non-accelerated filer___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes___ No_X__

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 6, 2008
Common Stock, No par value	5,774,402 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended June 30, 2008

Table of Contents

PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil's principal business is the retail distribution of electricity and natural gas through two utility subsidiaries: Unitil Energy System's Inc. (UES) and Fitchburg Gas and Electric Light Company (FG&E). UES is an electric utility with an operating franchise in the southeastern seacoast and capital city areas of New Hampshire. FG&E is a combination gas and electric utility with an operating franchise in the greater Fitchburg area of north central Massachusetts.

Unitil's two retail distribution utilities serve approximately 99,400 electric customers and 15,000 natural gas customers in their franchise areas. The retail distribution companies are pure distribution utilities with a combined investment in net utility plant of $251.1 million at June 30, 2008. Substantially all of Unitil's revenue and earnings are derived from regulated utility operations.

Unitil also conducts non-regulated operations principally through its Usource™ (Usource) subsidiary. Usource provides energy brokering and consulting services to large commercial and industrial customers in the northeastern United States. Unitil's other subsidiaries include Unitil Service and Unitil Realty, which provide centralized facilities, management and administrative services to Unitil's affiliated companies. Unitil's consolidated net income includes the earnings of the holding company and these subsidiaries.

On February 15, 2008, the Company entered into a Stock Purchase Agreement (Agreement) with NiSource Inc. (NiSource) and Bay Sate Gas Company (Bay State, which is a wholly owned utility subsidiary of NiSource), to acquire all of the outstanding stock of Northern Utilities, Inc. (Northern), and Granite State Gas Transmission, Inc. (Granite) for $160 million in cash, which amount is subject to a working capital adjustment. The transaction is expected to be financed by newly issued common stock and debt.

Northern's principal business is the retail distribution of natural gas to approximately 53,000 customers located in 44 coastal New Hampshire and southern Maine communities. Portions of Northern's natural gas service territory are contiguous and overlapping with Unitil's electric distribution service territory in New Hampshire. Granite's principal business is a natural gas transmission company, principally engaged in the business of providing natural gas transportation services to Northern for its access to natural gas pipeline supplies.

Consummation of the acquisition is subject to various closing conditions, including but not limited to the receipt of requisite regulatory approvals from certain federal and state public utility, antitrust and other regulatory authorities. It is currently anticipated that the acquisition will be consummated in the fourth quarter of 2008. However, no assurance can be given that the acquisition will occur, or, the timing of its completion.

RATES AND REGULATION

Unitil's utility operations related to wholesale and interstate business activities are regulated by the Federal Energy Regulatory Commission (FERC). The retail distribution utilities, UES and FG&E, are subject to regulation by the New Hampshire Public Utilities Commission (NHPUC) and the Massachusetts Department of Public Utilities (MDPU), formerly the Massachusetts Department of Telecommunications and Energy, respectively, in regards to their rates, issuance of securities and other accounting and operational matters. Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's retail distribution utilities have the franchise to deliver electricity and/or natural gas to all customers in their franchise areas, at rates established under traditional cost of service regulation. Under this regulatory structure, UES and FG&E recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets.

As a result of the implementation of retail choice in New Hampshire and Massachusetts, Unitil's customers are free to contract for their supply of electricity with third-party suppliers. The retail distribution utilities provide for the delivery of that supply of electricity over their distribution systems at regulated rates. Both UES and FG&E continue to provide basic or default electric supply service to those customers who do not obtain their supply from third-party suppliers, with the costs associated with electricity supplied by the Company being recovered on a pass-through basis under periodically-adjusted rates.

As a result of the introduction of retail choice for all natural gas customers in Massachusetts, FG&E's customers are free to contract for their supply of natural gas with third-party suppliers. FG&E continues to provide natural gas supply services to those customers who do not obtain their supply from third-party suppliers. The costs associated with natural gas supplied by FG&E are recovered on a pass-through basis under periodically adjusted rates.

CAUTIONARY STATEMENT

This report and the documents we incorporate by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include the following:

- Variations in weather;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;
- General economic conditions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' future performance under multi-year energy brokering contracts.
- Risks associated with the acquisition of Northern and Granite, discussed above include:
    - Successful integration of the acquired business into the Company;
    - Receipt of regulatory approval of the transaction;
    - Ability to finance transaction at reasonable terms; and
    - Acquisition costs expended for banker fees, legal fees and other acquisition related expenses would adversely affect the Company's financial condition if the acquisition is not completed;

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2007 as filed with the Securities and Exchange Commission on February 12, 2008, other than the risks disclosed above associated with the acquisition of Northern and Granite.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended June 30, 2008 and June 30, 2007 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Item 1 of this report.

Earnings Overview

The Company's Earnings Applicable to Common Shareholders (Net Income) was $1.6 million for the second quarter of 2008, compared to net income of $1.7 million for the second quarter of 2007. Earnings per common share (EPS) were $0.28 for the three months ended June 30, 2008 compared with $0.30 in the second quarter of 2007. Earnings for the second quarter of 2008 reflect higher gas utility sales margins and lower interest expense offset by higher operating expenses and depreciation in the quarter. For the six months ended June 30, EPS were $0.85 for 2008 compared to $0.76 for 2007, an increase of $0.09 per share, or 12%.

The following table presents the significant items (discussed below) contributing to the change in earnings per share in the three and six month periods ended June 30, 2008:

2008 Earnings Per Share vs. 2007

		Period Ended June 30,	
		QTD	YTD
	2007	**$ 0.30**	**$ 0.76**
Electric Sales Margin		---	(0.04)
Gas Sales Margin		0.02	0.12
Usource Sales Margin		(0.01)	---
Operation & Maintenance Expense		(0.02)	0.17
Depreciation, Amortization & Other		(0.02)	(0.12)
Interest Expense, Net		0.01	(0.04)
	2008	**$ 0.28**	**$ 0.85**

Unitil's total electric kilowatt (kWh) sales decreased 3.1% and 2.2% in the three and six month periods ended June 30, 2008, respectively compared to the same periods in 2007. Natural gas sales in the three and six month periods ended June 30, 2008 decreased 4.6% and 2.2%, respectively, compared to the same periods in 2007. The lower unit sales in 2008 compared to 2007 reflect a milder winter heating season this year and lower average usage by our customers reflecting a slowing economy and energy conservation.

Electric sales margin was flat in the three month period ended June 30, 2008 compared to the same period in 2007. For the six month period ended June 30, 2008, electric sales margin decreased $0.4 million compared to the same period in 2007. The decrease in electric sales margin primarily reflects lower sales volumes, which was partially offset by higher electric base rates, implemented in March of 2008.

Natural gas sales margin increased $0.2 million and $1.1 million in the three and six months ended June 30, 2008, respectively, compared to the same periods in 2007 primarily reflecting higher gas base rates, implemented in November of 2007, partially offset by lower sales volumes.

Usource revenues decreased by $0.1 million in the three month period ended June 30, 2008 compared to the same period in 2007 and were flat in the six month period ended June 30, 2008 compared to the same period in 2007.

Total O&M expenses increased $0.2 million for the three month period ended June 30, 2008 compared to the same period in 2007. The increase in the three month period reflects higher salary and benefit costs of $0.4 million and higher bad debt expense of $0.1 million partially offset by lower utility operating costs of $0.1 million and lower professional fees and all other expenses of $0.2 million. For the six month period ended June 30, 2008, O&M expenses decreased $1.6 million compared to the same period in 2007, including a reduction of $2.8 million from the proceeds of an insurance settlement and lower other utility operating costs of $0.3 million, partially offset by increases in salary and benefit costs of $1.1 million, higher bad debt expenses of $0.2 million and all other expenses, net of $0.2 million.

Depreciation, Amortization, Taxes & Other expenses increased $0.1 million and $1.3 million in the three and six month periods ended June 30, 2008 compared to the same periods in 2007, primarily reflecting the amortization, in the first quarter of 2008, of $0.7 million of natural gas inventory carrying costs deferred under a previous regulatory ruling and higher depreciation on normal utility plant additions.

Interest Expense, Net decreased $0.1 million for the three month period ended June 30, 2008 compared to the same period in 2007. The decrease in the three month period reflects lower short term borrowings. For the six month period ended June 30, 2008, Interest Expense, Net increased $0.4 million compared to the same period in 2007, reflecting higher overall debt outstanding.

Also in the second quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

A more detailed discussion of the Company's results of operations for the three and six months ended June 30, 2008 and a period-to-period comparison of changes in financial position are presented below.

Balance Sheet

The Company's investment in Net Utility Plant increased by $7.3 million as of June 30, 2008 compared to June 30, 2007. This increase was due to capital expenditures related to UES' and FG&E's electric and gas distribution systems, including expenditures of approximately $1.2 million for the Company's Advanced Metering Infrastructure (AMI) project.

Regulatory Assets decreased $31.1 million as of June 30, 2008 compared to June 30, 2007, primarily reflecting current year cost recoveries. A significant portion of this decrease is matched by a corresponding decrease of $19.9 million in Power Supply Contract Obligations. The remaining decrease primarily reflects lower levels of Regulatory Assets associated with deferred taxes and retirement benefit obligations as well as recoveries of deferred charges.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – Unitil's total electric kilowatt (kWh) sales decreased 3.1% and 2.2% in the three and six month periods ended June 30, 2008, respectively compared to the same periods in 2007. Electric kWh sales to residential customers in the three and six month periods ended June 30, 2008 decreased 3.0% and 1.8%, respectively, compared to the same periods in 2007 while sales to C&I customers decreased 3.2% and 2.5%, respectively, in those periods compared to the same periods in 2007. The lower kWh sales in 2008 compared to 2007 were primarily driven by lower average usage by our customers reflecting a slowing economy and energy conservation.

The following table details total kWh sales for the three and six months ended June 30, 2008 and 2007 by major customer class:

kWh Sales (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	Change	% Change	**2008**	2007	Change	% Change
Residential	**147.5**	152.0	(4.5)	(3.0%)	**329.9**	335.9	(6.0)	(1.8%)
Commercial / Industrial	**254.0**	262.5	(8.5)	(3.2%)	**515.1**	528.2	(13.1)	(2.5%)
Total	**401.5**	414.5	(13.0)	(3.1%)	**845.0**	864.1	(19.1)	(2.2%)

Electric Operating Revenues and Sales Margin - The following table details total Electric Operating Revenues and Sales Margin for the three and six month periods ended June 30, 2008 and 2007:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	$ Change	% Change[1]	**2008**	2007	$ Change	% Change[1]
Electric Operating Revenue:								
Residential	**$ 25.9**	$ 25.9	$ ---	---	**$ 56.2**	$ 58.6	$ (2.4)	(2.1%)
Commercial / Industrial	**26.1**	25.8	0.3	0.6%	**52.4**	55.8	(3.4)	(3.0%)
Total Electric Operating Revenue	**$ 52.0**	$ 51.7	$ 0.3	0.6%	**$ 108.6**	$ 114.4	$ (5.8)	(5.1%)
Cost of Electric Sales:								
Purchased Electricity	**$ 36.8**	$ 36.3	$ 0.5	1.0%	**$ 79.7**	$ 84.5	$ (4.8)	(4.3%)
Conservation & Load Management	**0.8**	1.0	(0.2)	(0.4%)	**1.4**	2.0	(0.6)	(0.5%)
Electric Sales Margin	**$ 14.4**	$ 14.4	$ ---	---	**$ 27.5**	$ 27.9	$ (0.4)	(0.3%)

[1] Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenues, increased by $0.3 million, or 0.6%, and decreased by $5.8 million, or 5.1%, in the three and six month periods ended June 30, 2008, respectively, compared to the same periods in 2007. Total Electric Operating Revenues include the recovery of costs of electric sales, which are recorded as Purchased Electricity and Conservation & Load Management (C&LM) in Operating Expenses. The net increase in Total Electric Operating Revenues in the three month period reflects higher Purchased Electricity costs of $0.5 million partially offset by lower C&LM revenues of $0.2 million. The net decrease in Total Electric Operating Revenues in the six month period reflects lower Purchased Electricity costs of $4.8 million, lower C&LM revenues of $0.6 million and lower sales margin of $0.4 million.

Purchased Electricity and C&LM revenues increased a net $0.3 million, or 0.6%, and decreased $5.4 million, or 4.8%, of Total Electric Operating Revenues in the three and six month periods ended June 30, 2008, respectively, compared to the same periods in 2007. The increase in the three month period primarily reflects higher electric commodity prices, partially offset by lower sales volumes. The decrease in the six month period reflects lower sales volumes, an increase in the amount of electricity purchased by customers directly from third-party suppliers and lower spending on energy efficiency and conservation programs. Purchased Electricity revenues include the recovery of the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin was flat in the three month period ended June 30, 2008 compared to the same period in 2007. For the six month period ended June 30, 2008, electric sales margin decreased $0.4 million compared to the same period in 2007. The decrease in electric sales margin primarily reflects lower sales volumes, partially offset by higher electric base rates, implemented in March of 2008.

Gas Sales, Revenues and Margin

Therm Sales – Unitil's total therm sales of natural gas in the three and six month periods ended June 30, 2008 decreased 4.6% and 2.2%, respectively, compared to the same periods in 2007. Gas sales to residential customers in the three and six month periods ended June 30, 2008 decreased 8.7% and 4.2%, respectively, compared to the same periods in 2007 while sales to C&I customers decreased 2.4% and 0.9%, respectively, in those periods compared to the same periods in 2007. The decrease in gas sales in 2008 reflects a milder winter heating season this year and lower average usage by our customers reflecting a slowing economy and energy conservation.

The following table details total firm therm sales for the three and six months ended June 30, 2008 and 2007, by major customer class:

Therm Sales (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	Change	% Change	**2008**	2007	Change	% Change
Residential	**2.1**	2.3	(0.2)	(8.7%)	**6.9**	7.2	(0.3)	(4.2%)
Commercial / Industrial	**4.1**	4.2	(0.1)	(2.4%)	**10.9**	11.0	(0.1)	(0.9%)
Total	**6.2**	6.5	(0.3)	(4.6%)	**17.8**	18.2	(0.4)	(2.2%)

Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three and six months ended June 30, 2008 and 2007:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	$ Change	% Change[1]	**2008**	2007	$ Change	% Change[1]
Gas Operating Revenue:								
Residential	**$ 3.5**	$ 3.6	$ (0.1)	(1.6%)	**$ 11.6**	$ 11.7	$ (0.1)	(0.4%)
Commercial / Industrial	**3.1**	2.8	0.3	4.7%	**9.3**	8.9	0.4	1.9%
Total Gas Operating Revenue	**$ 6.6**	$ 6.4	$ 0.2	3.1%	**$ 20.9**	$ 20.6	$ 0.3	1.5%
Cost of Gas Sales:								
Purchased Gas	**$ 3.9**	$ 3.9	$ ---	---	**$ 12.9**	$ 13.7	$ (0.8)	(3.8%)
Conservation & Load Management	**0.1**	0.1	---	---	**0.1**	0.1	---	---
Gas Sales Margin	**$ 2.6**	$ 2.4	$ 0.2	3.1%	**$ 7.9**	$ 6.8	$ 1.1	5.3%

[1] Represents change as a percent of Total Gas Operating Revenue.

Total Gas Operating Revenues increased $0.2 million, or 3.1%, and $0.3 million, or 1.5%, in the three and six month periods ended June 30, 2008, respectively, compared to the same periods in 2007. Total Gas Operating Revenues include the recovery of the cost of sales, which are recorded as Purchased Gas and C&LM in Operating Expenses. The net increase in Total Gas Operating Revenues in the three month period reflects higher sales margin of $0.2 million. The net increase in Total Gas Operating Revenues in the six month period reflects higher sales margin of $1.1 million, partially offset by lower Purchased Gas costs of $0.8 million.

Purchased Gas and C&LM revenues were flat in the three month period ended June 30, 2008 compared to the same period in 2007 and decreased $0.8 million, or 3.8% of Total Gas Operating Revenues in the six month period ended June 30, 2008 compared to the same period in 2007. The decrease in the six month period reflects lower sales volumes and an increase in the amount of natural gas purchased by customers directly from third-party suppliers, partially offset by higher natural gas commodity prices. Purchased Gas revenues include the recovery of the cost of gas supply as well as the other energy supply related costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Natural gas sales margin increased $0.2 million and $1.1 million in the three and six months ended June 30, 2008, respectively, compared to the same periods in 2007 primarily reflecting higher gas base rates, implemented in November of 2007, partially offset by lower sales volumes.

Operating Revenue - Other

The following table details total Other Revenue for the three and six months ended June 30, 2008 and 2007:

Other Revenue (000's)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2008	2007	$ Change	% Change	**2008**	2007	$ Change	% Change
Other	**$ 0.8**	$ 0.9	$ (0.1)	(11.1%)	**$ 1.8**	$ 1.8	---	---
Total Other Revenue	**$ 0.8**	$ 0.9	$ (0.1)	(11.1%)	**$ 1.8**	$ 1.8	---	---

Total Other Revenue decreased $0.1 million, or 11.1% in the three month period ended June 30, 2008 compared to the same period in 2007. The decrease reflects lower revenues from the Company's non-regulated energy brokering business, Usource. Total Other Revenues for the six month period ended June 30, 2008 were flat compared to the same period in 2007.

Operating Expenses

Purchased Electricity – Purchased Electricity expenses include the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. Purchased Electricity increased $0.5 million, or 1.4%, and decreased $4.8 million, or 5.7%, in the three and six month periods ended June 30, 2008, respectively, compared to the same periods in 2007. The increase in the three month period primarily reflects higher electric commodity prices, partially offset by lower sales volumes. The decrease in the six month period reflects lower sales volumes, an increase in the amount of electricity purchased by customers directly from third-party suppliers and lower spending on energy efficiency and conservation programs. The Company recovers the costs of Purchased Electricity in its rates at cost on a pass through basis and therefore changes in these expenses do not affect Net Income.

Purchased Gas – Purchased Gas expenses include the cost of gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas expenses were flat in the three month period ended June 30, 2008 compared to the same period in 2007 and decreased $0.8 million, or 5.8% in the six month period ended June 30, 2008 compared to the same period in 2007. The decrease in the six month period reflects lower sales volumes and an increase in the amount of natural gas purchased by customers directly from third-party suppliers, partially offset by higher natural gas commodity prices. The Company recovers the costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect Net Income.

Operation and Maintenance (O&M) – O&M expense includes electric and gas utility operating costs, and the operating cost of the Company's unregulated business activities. Total O&M expenses increased $0.2 million for the three month period ended June 30, 2008 compared to the same period in 2007. The increase in the three month period reflects higher salary and benefit costs of $0.4 million and higher bad debt expense of $0.1 million partially offset by lower utility operating costs of $0.1 million and lower professional fees and all other expenses of $0.2 million. For the six month period ended June 30, 2008, O&M expenses decreased $1.6 million compared to the same period in 2007, including a reduction of $2.8 million from the proceeds of an insurance settlement and lower other utility operating costs of $0.3 million, partially offset by increases in salary and benefit costs of $1.1 million, higher bad debt expenses of $0.2 million and all other expenses, net of $0.2 million.

Conservation & Load Management – C&LM expenses are associated with the development, management, and delivery of the Company's Energy Efficiency programs. Energy Efficiency programs are designed, in conformity with state regulatory requirements, to help consumers use natural gas and electricity more efficiently and thereby decrease their energy costs. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 90% of these costs are related to electric operations and 10% to gas operations.

Total C&LM expenses decreased $0.2 million, or 18.2% and $0.6 million, or 28.6%, in the three and six month periods ended June 30, 2008 compared to the same periods in 2007. These changes reflect the timing of spending on the implementation of Energy Efficiency programs. These costs are collected from customers on a pass through basis and therefore, fluctuations in program costs have no impact on Net Income.

Depreciation, Amortization and Taxes

Depreciation and Amortization - Depreciation and Amortization expense increased by $0.1 million, or 2.3% and $0.8 million, or 9.0% in the three and six month periods ended June 30, 2008, respectively, compared to the same periods in 2007. The increase in the three month period primarily reflects higher depreciation on normal utility plant additions, partially offset by lower amortization on computer systems. The increase in the six month period primarily reflects the amortization, in the first quarter of 2008, of $0.7 million of natural gas inventory carrying costs deferred under a previous regulatory ruling and higher depreciation on normal utility plant additions.

Local Property and Other Taxes - Local Property and Other Taxes in the three month period ended June 30, 2008 were flat compared to the same period in 2007 and increased by $0.2 million, or 6.9% in the six month period ended June 30, 2008 compared to the same period in 2007. This increase was due to higher property tax rates on increased property assessments and higher payroll taxes on higher compensation expenses.

Federal and State Income Taxes - Federal and State Income Taxes were lower by $0.1 million in the three month period ended June 30, 2008 compared to the same period in 2007 reflecting lower pre-tax earnings. Federal and State Income Taxes were higher by $0.1 million in the six month period ended June 30, 2008 compared to the same period in 2007 reflecting higher pre-tax earnings.

Other Non-operating Expenses (Income)

Other Non-operating Expenses (Income) increased by less than $0.1 million and by $0.2 million in the three and six month periods ended June 30, 2008 compared to the same periods in 2007. The increase in the six month period reflects an adjustment of $0.1 million in conjunction with the Company's recently approved electric base distribution rate increase in Massachusetts.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. Certain reconciling rate mechanisms used by the Company's distribution operating utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

The Company operates a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the Company's tariff, interest is accrued on these balances and will produce either interest income or interest expense. Interest income is recorded on an under-collection of costs, which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

Interest Expense, Net (Millions)	**Three Months Ended June 30,**			**Six Months Ended June 30,**		
	2008	2007	Change	**2008**	2007	Change
Interest Expense						
Long-term Debt	$ 2.9	$ 2.8	$ 0.1	$ 5.7	$ 5.3	$ 0.4
Short-term Debt	0.1	0.3	(0.2)	0.4	0.7	(0.3)
Regulatory Liabilities	---	0.2	(0.2)	0.1	0.3	(0.2)
Subtotal Interest Expense	3.0	3.3	(0.3)	6.2	6.3	(0.1)
Interest Income						
Regulatory Assets	(0.6)	(0.7)	0.1	(1.3)	(1.5)	0.2
AFUDC and Other	(0.1)	(0.2)	0.1	---	(0.3)	0.3
Subtotal Interest Income	(0.7)	(0.9)	0.2	(1.3)	(1.8)	0.5
Total Interest Expense, Net	$ 2.3	$ 2.4	$ (0.1)	$ 4.9	$ 4.5	$ 0.4

Interest Expense, Net decreased $0.1 million for the three month period ended June 30, 2008 compared to the same period in 2007. The decrease in the three month period reflects lower short term interest expense. For the six month period ended June 30, 2008, Interest Expense, Net increased $0.4 million compared to the same period in 2007, reflecting higher overall debt outstanding. Interest expense on long-term borrowings increased in both the three and six month periods in 2008 compared to 2007 due to the issuance of new fixed rate long-term debt. On May 2, 2007, Unitil Corporation issued and sold $20 million of 6.33% Senior Long-Term Notes, due May 1, 2022, to institutional investors in the form of a private placement. The Company utilized the proceeds from the long-term Note financing to refinance existing short-term debt and for other corporate purposes of the Company's principal utility subsidiaries. The resulting reduction in average daily short-term bank borrowings lowered short-term debt interest expense in both the three and six month periods in 2008 compared to 2007. An adjustment of $0.2 million in the first quarter of 2008 related to earnings on funds used for capital projects ordered in conjunction with the Company's recently approved electric base distribution rate increase in Massachusetts and lower carrying charges earned on regulatory assets, which are adjusted periodically to reflect prevailing interest rates, also contributed to the increase in Interest Expense, Net in the six month period ended June 30, 2008 compared to the same period in 2007.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities, excluding payment of dividends. The Company initially supplements internally generated funds through bank borrowings, as needed, under unsecured short-term bank lines. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions, if any; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

At June 30, 2008, Unitil had $37 million in unsecured revolving lines of credit through two banks. The Company had short-term debt outstanding through bank borrowings of $12.8 million and $9.5 million at June 30, 2008 and June 30, 2007, respectively. In addition, Unitil had approximately $4.3 million in cash at June 30, 2008.

On February 15, 2008, the Company entered into a Stock Purchase Agreement with NiSource and Bay State to acquire all of the outstanding stock of Northern Utilities, Inc. and Granite State Gas Transmission, Inc. The Company has a commitment letter to enter into a senior unsecured bridge facility, which may be used to finance this transaction. The Company anticipates either financing the initial acquisition or refinancing the bridge facility with the issuance of a combination of long-term debt and common equity securities.

The Company provides limited guarantees on certain energy contracts entered into by its regulated subsidiary companies. The Company's policy is to limit these guarantees to the duration of the contracts, which range from less than one month to two and one-half years. As of June 30, 2008, there were approximately $9.0 million of guarantees outstanding and the longest term guarantee extends through October 31, 2009.

The tables below summarize the major sources and uses of cash (in millions) for the three months ended June 30, 2008, compared to the same period in 2007.

Cash Provided by Operating Activities	**$**	**19.8**	$	17.0

Cash Provided by Operating Activities - Cash Provided by Operating Activities was $19.8 million during the six months ended June 30, 2008, an increase of $2.8 million over the comparable period in 2007. Cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes of $1.2 million, was $4.9 million higher in the first six months of 2008 compared to 2007. Working Capital related cash flows decreased by $0.6 million during the first six months of 2008 compared to the same period in 2007. Deferred Restructuring Charges provided $0.8 million in cash in the second quarter of 2008 compared to the same period in 2007. These charges were deferred in prior periods for collection in current rates. All other changes in operating activities were a net $2.3 million in uses of cash in the first six months of 2008 compared to 2007.

Cash (Used in) Investing Activities	**$**	**(10.2)**	$	(19.6)

Cash (Used in) Investing Activities - Cash (Used in) Investing Activities was $10.2 million for the six months ended June 30, 2008, a decrease in capital spending of $9.4 million over the comparable period in 2007. This is mainly due to the funding in 2007 and the completion in 2008 of the Company's Advanced Metering Infrastructure ("AMI") project. In the first six months of 2007, capital expenditures included approximately $5.4 million of cash outlays for investment in the AMI project. Capital expenditure projections are subject to changes during the fiscal year.

Cash Provided by (Used in) Financing Activities	**$**	**(9.9)**	$	0.2

Cash Provided by (Used in) Financing Activities - Cash (Used in) Financing Activities was $9.9 million in the three months ended June 30, 2008, reflecting an increase in the use of cash of $10.1 million over the comparable period in 2007. In the second quarter of 2007, Unitil received cash proceeds of $20.0 million from the issuance of Senior Long-term Notes, which was used to pay down Short-term Debt. As a result, the Company utilized an additional $10.5 million in short-term debt for the first six months of 2008 compared to the same period in 2007. All other cash flows used in other financing activities aggregated to a net $0.4 million increase in the first six months of 2008 over the comparable period in 2007.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, management is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgments, the financial statements of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 12, 2008.

Regulatory Accounting - The Company's principal business is the distribution of electricity and natural gas by the retail distribution companies: UES and FG&E. Both UES and FG&E are subject to regulation by the FERC and FG&E is regulated by the MDPU and UES is regulated by the NHPUC. Accordingly, the Company uses the provisions of FASB Statement No. 71, "Accounting for the Effects of Certain Types of Regulation." (SFAS No. 71). In accordance with SFAS No. 71, the Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

The Company's principal regulatory assets and liabilities are detailed on the Company's Consolidated Balance Sheet and a summary of the Company's Regulatory Assets is provided below. The Company receives a return on investment on its regulated assets for which a cash outflow has been made.

Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated utility companies will recover their investments in long-lived assets, including regulatory assets. The Company also has commitments under long-term contracts for the purchase of electricity and natural gas from various suppliers. The annual costs under these contracts are included in Purchased Electricity and Purchased Gas in the Consolidated Statements of Earnings and these costs are recoverable in current and future rates under various orders issued by the FERC, MDPU and NHPUC.

Regulatory Assets consist of the following (millions)	June 30, 2008	June 30, 2007	December 31, 2007
Power Supply Buyout Obligations	**$ 62.7**	$ 82.6	$ 72.7
Deferred Restructuring Costs	**28.8**	30.1	30.5
Generation-related Assets	**1.2**	2.1	1.6
Subtotal – Restructuring Related Items	**92.7**	114.8	104.8
Retirement Benefit Obligations	**35.1**	37.2	35.1
Income Taxes	**13.8**	18.3	14.6
Environmental Obligations	**11.3**	13.1	13.1
Other	**3.3**	3.9	2.9
Total Regulatory Assets	**$ 156.2**	$ 187.3	$ 170.5

If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of SFAS No. 71. If unable to continue to apply the provisions of SFAS No. 71, the Company would be required to apply the provisions of FASB Statement No. 101, "Regulated Enterprises – Accounting for the Discontinuation of Application of Financial Accounting Standards Board Statement No. 71." In the Company's opinion, its regulated operations will be subject to SFAS No. 71 for the foreseeable future.

Utility Revenue Recognition - Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. The determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts - The Company recognizes a Provision for Doubtful Accounts each month. The amount of the monthly Provision is based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. Account write-offs, net of recoveries, are processed monthly. At the end of each month, an analysis of the delinquent receivables is performed and the adequacy of the Allowance for Doubtful Accounts is reviewed. The analysis takes into account an assumption about the cash recovery of delinquent receivables and also uses calculations related to customers who have chosen payment plans to resolve their arrears. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company is authorized by regulators to recover the supply-related portion of its written-off accounts from customers through periodically reconciling rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. Also, the Company has experienced periods when state regulators have extended the periods during which certain standard credit and collection activities of utility companies are suspended. In periods when account write-offs exceed estimated levels, the Company adjusts the Provision for Doubtful Accounts to maintain an adequate Allowance for Doubtful Accounts balance. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

Retirement Benefit Obligations - The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company

sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

In September 2006, the FASB issued FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", (SFAS No. 158), an amendment of SFAS No. 87, "Employers' Accounting for Pensions", SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," SFAS No. 106, "Employers' Accounting for Postretirement Benefits other than Pensions" and SFAS No. 132(R), "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS No. 158 requires companies to record on their balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas retail rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's health care cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs. The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO.

If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2007 and 2006, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $200,000 in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2007 and 2006, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $690,000 and $683,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $539,000 and $530,000, respectively. (See Note 8)

Income Taxes - Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of income is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets. The Company accounts for income tax assets, liabilities and expenses in accordance with FASB Statement No. 109, "Accounting for Income Taxes" (SFAS No. 109) and under FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109.

Depreciation - Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies - The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with SFAS No. 5. SFAS No. 5 applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of June 30, 2008, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to “Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

There are approximately 100 employees of the Company represented by labor unions. In May 2005, the Company reached agreements with its bargaining units for new five-year contracts, effective June 1, 2005. These agreements replace contracts that expired on May 31, 2005.

INTEREST RATE RISK

The majority of the Company’s debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new long-term debt securities issued by the Company. In addition, the Company’s short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease the Company’s interest expense in future periods. For example, if the Company had an average amount of short-term debt outstanding of $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000 (pre-tax). The average interest rates on the Company’s short-term borrowings for the three months ended June 30, 2008 and June 30, 2007 were 2.84% and 5.77%, respectively. The average interest rates on the Company’s short-term borrowings for the six months ended June 30, 2008 and June 30, 2007 were 3.40% and 5.77%, respectively.

MARKET RISK

Although Unitil's utility operating companies are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	**2008**	2007
Operating Revenues				
Electric	**$ 52.0**	$ 51.7	**$ 108.6**	$ 114.4
Gas	**6.6**	6.4	**20.9**	20.6
Other	**0.8**	0.9	**1.8**	1.8
Total Operating Revenues	**59.4**	59.0	**131.3**	136.8
Operating Expenses				
Purchased Electricity	**36.8**	36.3	**79.7**	84.5
Purchased Gas	**3.9**	3.9	**12.9**	13.7
Operation and Maintenance	**7.0**	6.8	**11.7**	13.3
Conservation & Load Management	**0.9**	1.1	**1.5**	2.1
Depreciation and Amortization	**4.5**	4.4	**9.7**	8.9
Provisions for Taxes:				
Local Property and Other	**1.4**	1.4	**3.1**	2.9
Federal and State Income	**0.7**	0.8	**2.5**	2.4
Total Operating Expenses	**55.2**	54.7	**121.1**	127.8
Operating Income	**4.2**	4.3	**10.2**	9.0
Non-Operating Expenses	**0.2**	0.1	**0.3**	0.1
Income Before Interest Expense	**4.0**	4.2	**9.9**	8.9
Interest Expense, Net	**2.3**	2.4	**4.9**	4.5
Net Income	**1.7**	1.8	**5.0**	4.4
Less: Dividends on Preferred Stock	**0.1**	0.1	**0.1**	0.1
Earnings Applicable to Common Shareholders	**$ 1.6**	$ 1.7	**$ 4.9**	$ 4.3
Average Common Shares Outstanding – Basic (000's)	**5,736**	5,642	**5,728**	5,634
Average Common Shares Outstanding - Diluted (000's)	**5,741**	5,663	**5,733**	5,653
Earnings Per Common Share (Basic and Diluted)	**$ 0.28**	$ 0.30	**$ 0.85**	$ 0.76
Dividends Declared Per Share of Common Stock	**$ 0.345**	$ 0.345	**$ 1.035**	$ 1.035

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)

	(UNAUDITED) June 30, 2008	(UNAUDITED) June 30, 2007	December 31, 2007
ASSETS:			
Utility Plant:			
Electric	**$ 272.8**	$ 259.2	$ 266.2
Gas	**69.8**	64.6	67.8
Common	**27.2**	25.6	26.2
Construction Work in Progress	**7.3**	21.5	20.3
Total Utility Plant	**377.1**	370.9	380.5
Less: Accumulated Depreciation	**126.0**	127.1	131.6
Net Utility Plant	**251.1**	243.8	248.9
Current Assets:			
Cash	**4.3**	2.2	4.6
Accounts Receivable – Net of Allowance for Doubtful Accounts of $1.3, $2.4 and $1.3	**22.5**	21.7	24.9
Accrued Revenue	**14.2**	9.0	12.7
Refundable Taxes	**---**	---	0.7
Materials and Supplies	**3.9**	3.3	4.5
Prepayments and Other	**1.6**	1.8	1.5
Total Current Assets	**46.5**	38.0	48.9
Noncurrent Assets:			
Regulatory Assets	**156.2**	187.3	170.5
Debt Issuance Costs, net	**2.7**	2.8	2.8
Other Noncurrent Assets	**7.1**	1.9	3.5
Total Noncurrent Assets	**166.0**	192.0	176.8
TOTAL	**$ 463.6**	$ 473.8	$ 474.6

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) June 30, 2008	June 30, 2007	December 31, 2007
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 100.0**	$ 96.9	$ 100.4
Preferred Stock, Non-Redeemable, Non-Cumulative	**0.2**	0.2	0.2
Preferred Stock, Redeemable, Cumulative	**1.8**	1.8	1.9
Long-Term Debt, Less Current Portion	**159.4**	160.0	159.6
Total Capitalization	**261.4**	258.9	262.1
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.3	0.4
Capitalized Leases, Current Portion	**0.2**	0.3	0.3
Short-Term Debt	**12.8**	9.5	18.8
Accounts Payable	**18.2**	15.1	17.6
Taxes Payable	**0.1**	2.4	---
Interest and Dividends Payable	**3.9**	3.8	1.9
Other Current Liabilities	**4.6**	4.1	5.1
Total Current Liabilities	**40.2**	35.5	44.1
Deferred Income Taxes	**34.2**	31.9	33.4
Noncurrent Liabilities:			
Power Supply Contract Obligations	**62.7**	82.6	72.7
Retirement Benefit Obligations	**51.0**	51.3	48.2
Environmental Obligations	**12.0**	12.0	12.0
Capitalized Leases, Less Current Portion	**0.4**	0.5	0.5
Other Noncurrent Liabilities	**1.7**	1.1	1.6
Total Noncurrent Liabilities	**127.8**	147.5	135.0
TOTAL	**$ 463.6**	$ 473.8	$ 474.6

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Operating Activities:		
Net Income	**$ 5.0**	$ 4.4
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	**9.7**	8.9
Deferred Taxes	**1.2**	(2.3)
Changes in Current Assets and Liabilities:		
Accounts Receivable	**2.4**	0.8
Accrued Revenue	**(1.5)**	4.8
Accounts Payable	**0.6**	(4.7)
Taxes Payable	**0.8**	1.5
All other Current Assets and Liabilities	**---**	0.5
Deferred Restructuring Charges	**1.7**	0.9
Other, net	**(0.1)**	2.2
Cash Provided by Operating Activities	**19.8**	17.0
Investing Activities:		
Property, Plant and Equipment Additions	**(10.2)**	(19.6)
Cash (Used in) Investing Activities	**(10.2)**	(19.6)
Financing Activities:		
Proceeds From (Repayment of) Short-Term Debt, net	**(6.0)**	(16.5)
Proceeds From (Repayment of) Long-Term Debt	**(0.2)**	20.0
Dividends Paid	**(4.0)**	(4.0)
Issuance of Common Stock	**0.5**	0.5
Retirement of Preferred Stock	**---**	(0.1)
Other, net	**(0.2)**	0.3
Cash (Used in) Provided by Financing Activities	**(9.9)**	0.2
Net (Decrease) in Cash	**(0.3)**	(2.4)
Cash at Beginning of Period	**4.6**	4.6
Cash at End of Period	**$ 4.3**	$ 2.2
Supplemental Cash Flow Information:		
Interest Paid	**$ 6.1**	$ 5.7
Income Taxes Paid	**$ 0.5**	$ 3.3

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three and six months ended June 30, 2008 are not necessarily indicative of results to be expected for the year ending December 31, 2008. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2007, as filed with the SEC on February 12, 2008, for a description of the Company's Basis of Presentation.

Nature of Operations - Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. Prior to the passage of the Energy Policy Act of 2005, Unitil and its subsidiaries were subject to regulation as a registered holding company system under the Public Utility Holding Company Act of 1935 (PUHCA) by the Securities and Exchange Commission (SEC). As a result of the enactment of the Energy Policy Act of 2005, PUHCA has been repealed. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (UES), Fitchburg Gas and Electric Light Company (FG&E), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

Unitil's principal business is the retail distribution of electricity in the southeastern seacoast and capital city areas of New Hampshire and the retail distribution of both electricity and natural gas in the greater Fitchburg area of north central Massachusetts, through the Company's two wholly-owned subsidiaries, UES and FG&E, collectively referred to as the retail distribution utilities.

A third utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for UES. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of UES on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve UES' customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service, Unitil Realty and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Recently Issued Pronouncements – In May 2008, the FASB issued FASB Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles", (SFAS No. 162), effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board's amendments to AU Section 411. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. The Company will adopt SFAS No. 162 when it is approved and does not expect it to have any impact on its financial statements.

In March 2008, the FASB issued FASB Statement No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS No. 161), effective for fiscal years and interim periods beginning after November 15, 2008, with early adoption allowed. SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 with the intent to provide users of financial statements with an enhanced understanding of an entity's use of derivative instruments and the effect of those derivative instruments on an entity's financial statements. The Company adopted SFAS No. 161 and there was no impact on its financial statements.

In December 2007, the FASB issued FASB Statement No. 141 (Revised 2007), "Business Combinations" (SFAS No. 141R), effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 141R establishes principles and requirements on how an acquirer recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, noncontrolling interests in the acquiree, goodwill or gain from a bargain purchase and accounting for transaction costs. Additionally, SFAS No. 141R determines what information must be disclosed to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The Company will adopt SFAS No. 141R upon its effective date and expects the adoption to affect any business combinations effected on or subsequent to that date.

In September 2006, the FASB issued FASB Statement No. 157, "Fair Value Measurements", (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Certain requirements of SFAS No. 157 are effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The effective date for other requirements of SFAS No. 157 has been deferred for one year by the FASB. The Company adopted the sections of SFAS No. 157 which are effective for fiscal years beginning after November 15, 2007 and there was no additional impact on the Company's Consolidated Financial Statements. The Company's fixed rate long-term debt falls under the fair value reporting requirements of SFAS No. 157. Accordingly, the Company has estimated the fair value of its long-term debt as of June 30, 2008 based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities (See Note 4). The Company does not expect that the adoption of the deferred sections of SFAS No. 157 will have an impact on the Company's Consolidated Financial Statements.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
06/19/08	08/15/08	08/01/08	$ 0.345
03/20/08	05/15/08	05/01/08	$ 0.345
01/17/08	02/15/08	02/01/08	$ 0.345
09/13/07	11/15/07	11/01/07	$ 0.345
06/21/07	08/15/07	08/01/07	$ 0.345
03/22/07	05/15/07	05/01/07	$ 0.345
01/18/07	02/15/07	02/01/07	$ 0.345

NOTE 3 – COMMON STOCK AND PREFERRED STOCK

During the first six months of 2008, the Company sold 14,889 shares of its Common Stock, at an average price of $27.76 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $413,000 were used to reduce short-term borrowings.

During the first six months of 2007, the Company sold 19,199 shares of its Common Stock, at an average price of $26.59 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $511,000 were used to reduce short-term borrowings.

Also, in the second quarter of 2008, the Company issued and sold 3,000 shares of its Common Stock, at an average price of $24.63 per share, in connection with the exercise of stock options under the Unitil Corporation 1998 Stock Option Plan (1998 Plan). Net proceeds of $73,875 were used by the Company to reduce short-term borrowings. As disclosed in Note 2 to the Company's Form 10-K for the year ended December 31, 2007, the 1998 Plan became effective on December 11, 1998. The number of shares granted under this plan, as well as the terms and conditions of each grant, were determined by the Compensation Committee of the Board of Directors, subject to plan limitations. All options granted under this plan vested over a three-year period from the date of the grant, with 25% vesting on the first anniversary of the grant, 25% vesting on the second anniversary, and 50% vesting on the third anniversary. Under the terms of this plan, key employees may be granted options to purchase the Company's Common Stock at no less than 100% of the market price on the date the option is granted. All options must be exercised no later than 10 years after the date on which they were granted. This plan was terminated on January 16, 2003. There was no compensation expense associated with this plan in 2008 and 2007. The plan will remain in effect solely for the purposes of the continued administration of all options currently outstanding under the plan. No further grants of options will be made under this plan. As of June 30, 2008, there are 104,000 options vested and exercisable outstanding.

The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 6, 2008, 15,540 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $445,998. Compensation expense associated with shares issued under the Plan is recognized ratably as the shares vest and was $0.2 million and $0.2 million for six months ended June 30, 2008 and 2007, respectively. At June 30, 2008, there was approximately $1.0 million of total unrecognized compensation cost related to non-vested shares under the Plan which is expected to be recognized over approximately 2.8 years as the shares vest.

Details on preferred stock at June 30, 2008, June 30, 2007 and December 31, 2007 are shown below:

(Amounts in Millions)

	(Unaudited) June 30,		December 31,
	2008	2007	2007
Preferred Stock			
UES Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	**$ 0.2**	$ 0.2	$ 0.2
FG&E Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	**0.8**	0.8	0.9
8.00% Series, $100 Par Value	**1.0**	1.0	1.0
Total Preferred Stock	**$ 2.0**	$ 2.0	$ 2.1

NOTE 4 – LONG-TERM DEBT

Details on long-term debt at June 30, 2008, June 30, 2007 and December 31, 2007 are shown below:

(Amounts in Millions)

	(Unaudited) June 30, 2008	(Unaudited) June 30, 2007	December 31, 2007
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due August 1, 2017	**4.8**	5.3	5.0
Total Long-Term Debt	**159.8**	160.3	160.0
Less: Current Portion	**0.4**	0.3	0.4
Total Long-term Debt, Less Current Portion	**$ 159.4**	$ 160.0	$ 159.6

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at June 30, 2008 is estimated to be approximately $162 million, before considering any costs, including prepayment costs, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

The Company provides limited guarantees on certain energy contracts entered into by its regulated subsidiary companies. The Company's policy is to limit these guarantees to two years or less. As of June 30, 2008 there are $9 million of guarantees outstanding and these guarantees extend through October 31, 2009. These guarantees are not required to be recorded under the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others."

NOTE 5 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three and six months ended June 30, 2008 and June 30, 2007 (Millions):

Three Months Ended:	Electric	Gas	Other	Non-Regulated	Total
June 30, 2008					
Revenues	**$ 52.0**	**$ 6.6**	**$ ---**	**$ 0.8**	**$ 59.4**
Segment Profit (Loss)	**2.0**	**(0.3)**	**(0.1)**	**---**	**1.6**
Capital Expenditures	**5.4**	**0.2**	**0.1**	**---**	**5.7**
June 30, 2007					
Revenues	$ 51.7	$ 6.4	$ ---	$ 0.9	$ 59.0
Segment Profit (Loss)	2.0	(0.4)	---	0.1	1.7
Capital Expenditures	8.0	1.5	0.5	---	10.0
Six Months Ended:					
June 30, 2008					
Revenues	**$ 108.6**	**$ 20.9**	**$ ---**	**$ 1.8**	**$ 131.3**
Segment Profit (Loss)	**2.5**	**2.5**	**(0.2)**	**0.1**	**4.9**
Capital Expenditures	**9.6**	**0.5**	**0.1**	**---**	**10.2**
Segment Assets	**326.2**	**108.5**	**27.9**	**1.0**	**463.6**
June 30, 2007					
Revenues	$ 114.4	$ 20.6	$ ---	$ 1.8	$ 136.8
Segment Profit (Loss)	3.4	0.7	0.1	0.1	4.3
Capital Expenditures	17.1	2.2	0.3	---	19.6
Segment Assets	339.5	110.6	22.6	1.1	473.8

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 5 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2007 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 12, 2008.

FG&E – Electric Division – On December 3, 2007, FG&E submitted its annual reconciliation of costs and revenues for Transition, Transmission, Standard Offer Service, and Default Service filed under its restructuring plan (the Annual Reconciliation Filing). The rates were approved effective January 1, 2008, subject to reconciliation pursuant to the MDPU's investigation. On June 6, 2008, FG&E submitted a revised Transition Charge reducing the recovery of net costs associated with the sale of Wyman 4 by $36,762 pursuant to an agreement with the Attorney General. This matter remains pending before the MDPU.

FG&E – Other – On June 22, 2007, the MDPU opened an inquiry into revenue decoupling for gas and electric distribution utilities, generally defined as a ratemaking mechanism designed to eliminate or reduce the dependence of a utility's distribution revenues on sales. Revenue decoupling is intended to remove the disincentive a utility has to administer and promote customer efforts to reduce energy consumption and demand or to install distributed generation to displace electricity delivered by the utility. On July 16, 2008, the MDPU issued an order establishing a comprehensive plan for decoupling to be adopted by gas and electric distribution utilities on a going-forward basis. Company specific rate cases will be required. Lost base revenue recovery associated with incremental energy efficiency savings will be allowed through 2012 consistent with the MDPU's expectation that, with limited exceptions, distribution companies will be operating under decoupling plans by year-end 2012. Within 45 days of this order, each distribution company must notify the MDPU of when the company expects to file a rate case to implement decoupling.

On July 2, 2008, Massachusetts Senate Bill No. 2768 (the "Green Communities Act") was signed into law. The Green Communities Act is intended to increase energy efficiency, update the renewable energy portfolio standard, increase public oversight of utilities, increase service quality of power companies, assist low-income energy customers, and increase the use of renewable generation and energy efficiency products. The Act requires electric companies to boost investment in energy efficiency measures that reduce energy demand and deliver savings to customers; provides a new funding source for efficiency measures through the auction of pollution allowances by power plants through the Regional Greenhouse Gas Initiative; creates stronger incentives for the development of renewable energy, like wind and solar, by requiring 15 percent of electricity to be supplied by new green power facilities by 2020 and establishing a pilot program for utilities to enter into long-term contracts with renewable energy projects; expressly authorizes cities and towns to own renewable energy facilities; and encourages green building design through updated codes, training and assistance. The MDPU is expected to initiate regulatory proceedings to implement various sections of the Act. The impact of any new measures to be required of FG&E in compliance with the Act cannot be estimated at this time.

UES –In July, 2008, the State of New Hampshire passed a law that allows electric utilities to make investments in distributed energy resources including energy efficiency and demand reduction technologies as well as clean cogeneration and renewable generation. In June, 2008, The State of New Hampshire also passed a law approving state participation in the Regional Greenhouse Gas Initiative ("RGGI"). The RGGI program begins in 2009 and requires large electric generators in the 10-state northeast region to purchase allowances for their carbon emissions. These allowances are being sold through a regional auction process and the funds will be used by the states for investments in energy efficiency and alternative energy.

On March 14, 2008, UES made its annual reconciliation and rate filing with the NHPUC under its restructuring plan, for rates effective May 1, 2008, including reconciliation of prior year costs and revenues, power supply and power supply-related stranded costs. The filing was approved on April 23, 2008. On July 9, 2008, UES proposed an increase to its External Delivery Charge, effective September 1, 2008, reflecting higher transmission costs.

On June 22, 2007, the NHPUC issued an order in its investigation into implementation of the federal Energy Policy Act of 2005 regarding the adoption of standards for time-based metering and interconnection. On August 31, 2007, the NHPUC issued an order on motion for rehearing, staying the June 22, 2007 order pending hearing and reconsideration of the issues. An order following rehearing was issued on January 22, 2008 finding that it is appropriate to implement some form of time-based metering standards and ordering that the details, including cost-benefit analyses, form of rate design, time of implementation and applicable customer classes shall be determined in separate proceedings to be initiated by the Commission.

On May 14, 2007, the NHPUC issued an order opening an investigation into the merits of instituting appropriate rate mechanisms, such as revenue decoupling, which would have the effect of removing obstacles to, and encouraging investment in, energy efficiency. This matter remains pending before the NHPUC.

Acquisition of Northern Utilities Inc. and Granite State Gas Transmission, Inc. – On February 15, 2008, the Company entered into a Stock Purchase Agreement (Agreement) with NiSource Inc. (NiSource) and Bay Sate Gas Company (Bay State, which is a wholly owned utility subsidiary of NiSource), to acquire all of the outstanding stock of Northern Utilities, Inc. (Northern), and Granite State Gas Transmission, Inc. (Granite) for $160 million in cash, which amount is subject to a working capital adjustment. The transaction is expected to be financed by newly issued common stock and debt. The Company has a commitment letter to enter into a senior unsecured bridge facility, which may be used to finance this transaction on an interim basis until permanent financing is completed.

On March 31, 2008, Unitil filed joint petitions with Nisource and BaySate along with supporting testimony with the Maine Public Utilities Commission and the New Hampshire Public Utilities Commission requesting approval of the acquisitions. The requests for approval are under active consideration and remain pending. As of June 30, 2008, the Company has deferred $3.4 million of transaction costs associated with the acquisition. The transaction is expected to close by the fourth quarter of 2008, subject to approval by the state commissions and review by certain federal agencies.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 5 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2007 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 12, 2008.

The Company's past and present operations include activities that are generally subject to extensive federal and state environmental laws and regulations. The Company believes it is in compliance with all applicable environmental and safety laws and regulations, and the Company believes that as of June 30, 2008, there are no material losses reasonably possible in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included on the Company's Consolidated Balance Sheet at June 30, 2008, in Environmental Obligations is $12.0 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant site at Sawyer Passway, located in Fitchburg, Massachusetts. A corresponding regulatory asset was recorded to reflect the future rate recovery of these costs. As noted above, please refer to Note 5 to the financial statements in Item 8 of Part II of the Company's Form 10-K for December 31, 2007 for additional information. The Company received an insurance settlement during the first quarter of 2008 associated with environmental remediation costs. Any recovery that FG&E receives from insurance or third parties with respect to environmental response costs, net of the unrecovered costs associated therewith, are split equally between FG&E and its gas customers.

NOTE 8: RETIREMENT BENEFIT OBLIGATIONS

The Company sponsors the following retirement benefit plans to provide certain pension and postretirement benefits for its retirees and current employees as follows:

- The Unitil Corporation Retirement Plan (Pension Plan) - The Pension Plan is a defined benefit pension plan covering substantially all of its employees. Under the Pension Plan, retirement benefits are based upon an employee's level of compensation and length of service.

- The Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan) – The PBOP Plan provides health care and life insurance benefits to retirees. The Company has established Voluntary Employee Benefit Trusts (VEBT), into which it funds contributions to the PBOP Plan.

- The Unitil Corporation Supplemental Executive Retirement Plan (SERP) – The SERP is an unfunded retirement plan, with participation limited to executives selected by the Board of Directors.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

Used to Determine Plan Costs	**2008**	2007
Discount Rate	**6.00%**	5.50%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.50%**	9.00%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2016

Used to Determine Benefit Obligations:	**2008**	2007
Discount Rate	**6.00%**	5.50%
Rate of Compensation Increase	**3.50%**	3.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.50%**	8.50%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health care Cost Trend Rate is reached	**2017**	2016

The following table provides the components of the Company's Retirement plan costs ($000's):

	Pension Plan		**PBOP Plan**		**SERP**	
Three Months Ended June 30,	**2008**	2007	**2008**	2007	**2008**	2007
Service Cost	**$ 488**	$ 492	**$ 355**	$ 358	**$ 37**	$ 41
Interest Cost	**943**	834	**559**	514	**31**	29
Expected Return on Plan Assets	**(1,094)**	(1,050)	**(82)**	(61)	**---**	---
Prior Service Cost Amortization	**27**	27	**341**	340	**---**	---
Transition Obligation Amortization	**---**	---	**6**	5	**---**	---
Actuarial Loss Amortization	**319**	336	**---**	17	**6**	11
Sub-total	**683**	639	**1,179**	1,173	**74**	81
Amounts Capitalized and Deferred	**(246)**	(219)	**(513)**	(504)	**---**	---
Net Periodic Benefit Cost Recognized	**$ 437**	$ 420	**$ 666**	$ 669	**$ 74**	$ 81

	Pension Plan		PBOP Plan		SERP	
Six Months Ended June 30,	**2008**	2007	**2008**	2007	**2008**	2007
Service Cost	**$ 976**	$ 984	**$ 710**	$ 715	**$ 74**	$ 82
Interest Cost	**1,887**	1,669	**1,118**	1,028	**63**	59
Expected Return on Plan Assets	**(2,187)**	(2,097)	**(163)**	(122)	**---**	---
Prior Service Cost Amortization	**54**	53	**681**	679	**---**	(1)
Transition Obligation Amortization	**---**	---	**11**	11	**---**	---
Actuarial Loss Amortization	**638**	672	**---**	35	**12**	22
Sub-total	**1,368**	1,281	**2,357**	2,346	**149**	162
Amounts Capitalized and Deferred	**(447)**	(436)	**(952)**	(1,017)	**---**	---
Net Periodic Benefit Cost Recognized	**$ 921**	$ 845	**$ 1,405**	$ 1,329	**$ 149**	$ 162

Employer Contributions

On August 17, 2006, the Pension Protection Act of 006 (PPA) was signed into law. Included in the PPA are new minimum funding rules which will go into effect for plan years beginning in 2008. The funding target will be 100% of a plan's liability with any shortfall amortized over seven years, with lower (92% - 100%) funding targets available to well-funded plans during the transition period. The Company expects to contribute approximately $2.8 million to fund its Pension Plan in 2008.

As of June 30, 2008, the Company had made $1.0 million and $33,000 of contributions to the PBOP and SERP Plans, respectively, in 2008. The Company presently anticipates contributing an additional $1.5 million and $26,000 to the PBOP and SERP Plans, respectively, in 2008.

NOTE 9: INCOME TAXES

The Company bills its customers sales tax in Massachusetts and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2007, and at each interim reporting date in the period ended June 30, 2008 in accordance with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by FIN 48 is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2004; December 31, 2005; and December 31, 2006. Income tax filings for the year ended December 31, 2007 have been extended and are due September 15, 2008. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no interest and penalties recognized in the statement of earnings or accrued on the balance sheets.

NOTE 10: SUBSEQUENT EVENT – DEFINITIVE PROXY STATEMENT

On July 29, 2008, the Company filed a Definitive Proxy Statement (Proxy) with the SEC and subsequently mailed the Proxy to the Company's shareholders. The Proxy served as notification that a special meeting of the Company's shareholders will be held at the office of the Company on September 10, 2008 to approve and adopt an amendment to the Company's Articles of Incorporation, as amended, to increase the authorized number of shares of common stock, no par value per share, of the Company from 8,000,000 shares to 16,000,000 shares in the aggregate and to act on such other matters that may come before the meeting and any adjournments.

The Company intends to sell and issue up to 4,000,000 shares of Common Stock in a public offering to partially finance the proposed acquisition by the Company of Northern Utilities, Inc. and Granite State Gas Transmission, Inc., as discussed above in Note 6.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the Unaudited Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2007 as filed with the Securities and Exchange Commission on February 12, 2008, other than the risks associated with the Company's recently announced acquisition of Northern and Granite, as discussed in the Cautionary Statement section of Part I, Item 2 of this Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended June 30, 2008.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), adopted by the Company on March 20, 2008, the Company periodically repurchases shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. The Company may suspend or terminate its Rule 10b5-1 trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws. There is no pool or maximum number of shares related to these purchases. Company repurchases are shown in the table below for the monthly periods noted:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
4/1/08 – 4/30/08	---	---	---	n/a
5/1/08 – 5/31/08	396	$27.68	396	n/a
6/1/08 – 6/30/08	---	---	---	n/a
Total	396	$27.68	396	n/a

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL CORPORATION
(Registrant)

Date: August 7, 2008 /s/ Mark H. Collin
Mark H. Collin
Chief Financial Officer

Date: August 7, 2008 /s/ Laurence M. Brock
Laurence M. Brock
Chief Accounting Officer

EXHIBIT 11.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING

(Millions except common shares and per share data)

(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	**2008**	2007
Net Income	**$ 1.7**	$ 1.8	**$ 5.0**	$ 4.4
Less: Dividend Requirements on Preferred Stock	**0.1**	0.1	**0.1**	0.1
Net Income Applicable to Common Stock	**$ 1.6**	$ 1.7	**$ 4.9**	$ 4.3
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**5,736**	5,642	**5,728**	5,634
Dilutive Effect of Stock Options and Restricted Stock (000's)	**5**	21	**5**	19
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**5,741**	5,663	**5,733**	5,653
Earnings Per Share – Basic	**$0.28**	$0.30	**$0.85**	$0.76
Earnings Per Share – Diluted	**$0.28**	$0.30	**$0.85**	$0.76

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2008

/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	August 7, 2008
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	August 7, 2008
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	August 7, 2008

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended September 30, 2008

Commission File Number 1-8858

UNITIL CORPORATION

(Exact name of registrant as specified in its charter)

New Hampshire	**02-0381573**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6 Liberty Lane West, Hampton, New Hampshire	**03842-1720**
(Address of principal executive office)	*(Zip Code)*

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes_X__ No___

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer___ Accelerated filer__X__ Non-accelerated filer___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes___ No_X__

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 23, 2008
Common Stock, No par value	5,781,749 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended September 30, 2008

Table of Contents

PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil's principal business is the retail distribution of electricity and natural gas through two utility subsidiaries: Unitil Energy System's Inc. (UES) and Fitchburg Gas and Electric Light Company (FG&E). UES is an electric utility with a service territory in the southeastern seacoast and state capital regions of New Hampshire. FG&E is a combination gas and electric utility with a service territory in the greater Fitchburg area of north central Massachusetts.

Unitil's two retail distribution utilities serve approximately 100,000 electric customers and 15,100 natural gas customers in their franchise areas. The retail distribution utilities are pure distribution utilities with a combined investment in net utility plant of $256.0 million at September 30, 2008. Substantially all of Unitil's revenue and earnings are derived from its regulated utility operations.

Unitil also conducts non-regulated operations principally through its Usource™ (Usource) subsidiary. Usource provides energy brokering and consulting services to large commercial and industrial customers in the northeastern United States. Unitil's other subsidiaries include Unitil Service and Unitil Realty, which provide centralized facilities, management and administrative services to Unitil's affiliated companies. Unitil's consolidated net income includes the earnings of the holding company and all of its subsidiaries.

On February 15, 2008, the Company entered into a Stock Purchase Agreement with NiSource, Inc. (NiSource) and Bay State Gas Company (Bay State, which is a wholly owned utility subsidiary of NiSource), to acquire all of the outstanding stock of Northern Utilities, Inc. (Northern), and Granite State Gas Transmission, Inc. (Granite) for $160 million in cash, which amount is subject to a working capital adjustment. The transaction is expected to be financed initially with proceeds from newly issued common stock together with a bridge credit facility. In the event that the equity offering is delayed until after the transaction closes, the Company may initially finance the transaction entirely with the bridge facility. The Company expects to repay the bridge facility as soon as practical after the transaction closes using the proceeds from the issuance of notes and newly issued common stock.

On March 31, 2008, Unitil and Northern filed joint petitions and supporting testimony with the Maine Public Utilities Commission (MPUC) and the New Hampshire Public Utilities Commission (NHPUC) requesting approval of the acquisitions. Subsequently, on May 30, 2008, Unitil and Northern filed joint petitions before both the NHPUC and MPUC requesting authority for Northern to issue unsecured long term debt to finance the acquisition of Northern by Unitil. In August, 2008, unopposed stipulation agreements resolving all outstanding issues and recommending approval of the acquisition and the financing petitions were filed with the MPUC and the NHPUC on behalf of Unitil, Northern and the active parties to the respective Maine and New Hampshire proceedings.

On October 10, 2008, the NHPUC issued orders approving the stipulation agreement and the financing petition, and authorizing the acquisition of Northern by Unitil.

On October 6, 2008, the MPUC publicly deliberated the matter and voted to approve the joint petition and stipulation agreement with conditions, subject to its issuance of a final written order. On October 22, 2008, the MPUC issued its written order approving the stipulation agreement and authorizing the acquisition of Northern by Unitil, subject to several conditions. Based on its review of the written order, Unitil expects to file along with Northern, a motion for reconsideration of the order on narrow grounds requesting clarification and/or modification of conditions of approval contained in the order. These conditions would potentially contravene the allocation of risks agreed to by the parties in the stipulation agreement and underlying Stock Purchase Agreement with regard to several pending regulatory safety and compliance proceedings involving Northern. At this time, Unitil can not predict what changes, if any, the MPUC's reconsideration and continued deliberation of this matter will have on its order or the unopposed stipulation agreement of the parties in this proceeding.

As a result of statutory changes in Massachusetts (see discussion of "Green Communities Act in Note 6), on August 13, 2008, Unitil and Bay State also filed a joint petition with the MDPU requesting an advisory ruling that Massachusetts law is not applicable to the proposed transaction, or, in the alternative, that it approve the transaction as consistent with the public interest. The Massachusetts Attorney General has asserted that Massachusetts law grants the MDPU jurisdiction to review the transaction, and argues that Bay State's customers will be harmed by the sale. Unitil and Bay State dispute the Attorney General's assertions. On October 1, 2008, a hearing on the joint petition was held before the MDPU, and on October 10 and October 17 the Parties to the proceeding filed their Initial and Reply Briefs, respectively. The Company has requested a final order from the MDPU on or before November 3, 2008, to allow the Company to proceed with the financing and closing of the transaction in the fourth quarter of 2008. The joint petition remains under active consideration by the MDPU.

Northern's principal business is the retail distribution of natural gas to approximately 52,000 customers located in 44 coastal New Hampshire and southern Maine communities. Portions of Northern's natural gas service territory are contiguous and overlapping with Unitil's electric distribution service territory in New Hampshire. Granite is a natural gas transmission company, principally engaged in the business of providing natural gas transportation services to Northern for its access to natural gas supply from interconnected upstream pipelines.

Consummation of the acquisitions is subject to various closing conditions, including but not limited to the receipt of the requisite regulatory approvals from state public utility commissions, noted above, from the Federal Communications Commission and clearance under federal antitrust regulations, which was received in May of 2008. It is currently anticipated that the acquisition will be consummated in the fourth quarter of 2008. However, no assurance can be given that the acquisition will close at that time, or at all.

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the authorized shares of the Company's Common Stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's Common Stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. The Company expects to issue and sell up to 4,000,000 shares in a public offering to partially finance the acquisition of Northern and Granite, discussed above.

On September 12, 2008, the Company priced the anticipated sale and issuance of $80.0 million aggregate principal amount of senior unsecured notes by Northern and $10.0 million aggregate principal amount of senior unsecured notes by Granite, subject to the conditions discussed below. The notes consist of:

(i) $30.0 million aggregate principal amount of 6.95% senior unsecured notes of Northern, which are due in 2018;

(ii) $50.0 million aggregate principal amount of 7.72% senior unsecured notes of Northern, which are due in 2038; and

(iii) $10.0 million aggregate principal amount of 7.15% senior unsecured notes of Granite, which are due in 2018.

The Company agreed to guarantee the payment of principal and interest on the Granite notes.

The Company expects to (i) finance its acquisition of Northern and Granite using the proceeds from a sale and issuance of common stock and a bridge credit facility and (ii) use the proceeds from the sale and issuance of the notes to repay all amounts outstanding under the bridge credit facility. In the event that the sale and issuance of common stock is delayed until after the acquisitions close, the Company may finance the acquisitions entirely with the bridge credit facility. Under those circumstances, the Company expects to repay the bridge facility as soon as practical after the acquisitions close using the proceeds from the issuance of notes and from the sale and issuance of common stock.

The foregoing is not intended to, and does not, constitute an offering of the Northern or Granite notes described above. The sale and issuance of such notes (i) is subject to the execution of definitive note purchase agreements by Northern, Granite and the prospective purchasers of the notes as well as receipt of certain regulatory approvals and satisfaction of closing conditions, including the closing of the acquisitions, (ii) will not be, and has not been, registered under the Securities Act of 1933 and the notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements and (iii) is not conditioned upon the closing of the offering of the Company's common stock, as described above. The Company has received the required regulatory approvals from the NHPUC and MPUC for these debt issuances.

As of August 21, 2008 the Company's Common Stock began trading on the New York Stock Exchange and ceased trading on the American Stock Exchange. The Company's Common Stock trades under the symbol, "UTL".

RATES AND REGULATION

Unitil's utility operations related to wholesale and interstate business activities are regulated by the Federal Energy Regulatory Commission (FERC). The retail distribution utilities, UES and FG&E, are subject to regulation by the NHPUC and the MDPU, formerly the Massachusetts Department of Telecommunications and Energy, respectively, in regards to their rates, issuance of securities and other accounting and operational matters. Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position. Following the closing of the acquisitions, Northern will continue to be regulated by the NHPUC and MPUC. Granite, as an interstate natural gas pipeline, will continue to be regulated by the FERC.

Unitil's retail distribution utilities have the franchise to deliver electricity and/or natural gas to all customers in their service territories, at rates established under traditional cost of service regulation. Under this regulatory structure, UES and FG&E recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets.

As a result of the implementation of retail choice in New Hampshire and Massachusetts, Unitil's customers are free to contract for their supply of electricity with third-party suppliers. The retail distribution utilities provide for the delivery of that supply of electricity over their distribution systems at regulated rates. Both UES and FG&E continue to provide basic or default electric supply service to those customers who do not obtain their supply from third-party suppliers, as a provider of last resort. The costs associated with electricity supplied by the Company are recovered on a pass-through basis under rates that are adjusted periodically during the year.

As a result of the introduction of retail choice for all natural gas customers in Massachusetts, FG&E's customers are free to contract for their supply of natural gas with third-party suppliers. FG&E provides for the delivery of that gas supply over its gas distribution system at regulated rates and continues to provide natural gas supply services to those customers who do not obtain their supply from third-party suppliers. The costs associated with natural gas supplied by FG&E are recovered on a pass-through basis under rates that are adjusted periodically during the year.

The NHPUC and MPUC have both announced their approval of Unitil's proposed acquisition of Northern. Regulatory approval for the acquisition is now pending in Massachusetts. The regulatory process in both Maine and New Hampshire included the negotiation and filing of settlement agreements reflecting commitments by Unitil with respect to Northern's rates, customer service and operations and for enhanced safety and reliability programs.

The settlement agreements were separately negotiated and filed in each state but reflect a number of common features. The settlements include commitments by Unitil with respect to Northern's rates, customer service and operations during and after the transition of Northern's management and business operations from NiSource, Northern's current ultimate parent company, to Unitil. Northern will be required to implement enhanced safety and reliability programs and upgrade the customer service quality programs for customers in both states. Unitil will also be required to conduct a study in collaboration with parties in both states of potential changes in organization or regulation of Granite.

CAUTIONARY STATEMENT

This report and the documents we incorporate by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include the following:

- Variations in weather;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;
- General economic conditions, including recent distress in the financial markets that has had an adverse impact on the availability of credit and liquidity resources generally and could jeopardize certain of our counterparty obligations, including those of our insurers and financial institutions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition;
- Customers' future performance under multi-year energy brokering contracts; and
- Risks associated with the acquisition of Northern and Granite, discussed above, include:
    - Successful integration of the acquired business into the Company;
    - Receipt of regulatory approval of the transaction and subsequent rate plan;
    - Conditions imposed on the Company under regulator orders related to the acquisition;
    - Ability to finance transaction at reasonable terms; and
    - Acquisition costs expended for banker fees, legal fees and other acquisition related expenses would adversely affect the Company's financial condition if the acquisition is not completed.

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2007 as filed with the Securities and Exchange Commission on February 12, 2008, other than the risks disclosed above associated with the acquisition of Northern and Granite and the risks associated with the recent distress in the financial markets.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended September 30, 2008 and September 30, 2007 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Item 1 of this report.

Earnings Overview

The Company's Earnings Applicable to Common Shareholders (Net Income) was $1.5 million for the third quarter of 2008, compared to net income of $1.6 million for the third quarter of 2007. Earnings per common share (EPS) were $0.27 for the three months ended September 30, 2008 compared with $0.28 in the third quarter of 2007. Earnings for the third quarter of 2008 reflect higher operating expenses and interest expense in the quarter offset by higher electric and gas utility sales margins. For the nine months ended September 30, EPS were $1.12 for 2008 compared to $1.04 for 2007, an increase of $0.08 per share, or 8%.

The following table presents the significant items (discussed below) contributing to the change in earnings per share in the three and nine month periods ended September 30, 2008:

2008 Earnings Per Share vs. 2007

	Period Ended September 30,	
	QTD	**YTD**
2007	**$ 0.28**	**$ 1.04**
Electric Sales Margin	0.01	(0.03)
Gas Sales Margin	0.03	0.15
Usource Sales Margin	0.01	0.01
Operation & Maintenance Expense	(0.05)	0.12
Depreciation, Amortization & Other	---	(0.12)
Interest Expense, Net	(0.01)	(0.05)
2008	**$ 0.27**	**$ 1.12**

Unitil's total electric kilowatt-hour (kWh) sales decreased 2.0% and 2.1% in the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007. Natural gas sales in the three month period ended September 30, 2008 increased 5.7% compared to the same period in 2007 and decreased 0.5% in the nine month period ended September 30, 2008 compared to the same period in 2007. The lower kWh sales in 2008 compared to 2007 reflect milder summer weather in 2008 and lower average usage by the Company's customers reflecting a slowing economy and energy conservation. The increased natural gas sales in the three month period reflect increased consumption by Commercial and Industrial (C&I) customers for production operations. The lower natural gas sales in the nine month period reflect a milder winter heating season earlier this year and lower average usage by the Company's customers reflecting a slowing economy and energy conservation.

Electric sales margin increased $0.1 million in the three month period ended September 30, 2008 compared to the same period in 2007, reflecting higher electric base rates partially offset by lower sales volumes. For the nine month period ended September 30, 2008, electric sales margin decreased $0.3 million compared to the same period in 2007. The decrease in electric sales margin in the nine month period primarily reflects lower sales volumes, partially offset by higher electric base rates, implemented in March of 2008.

Gas sales margin increased $0.2 million and $1.3 million in the three and nine months ended September 30, 2008, respectively, compared to the same periods in 2007. The increase in the three month period reflects gas base rates implemented in November 2007 and higher natural gas sales to C&I customers. The increased sales margin in the nine month period reflects higher rates, partially offset by lower sales.

Usource revenues increased by $0.1 million and $0.1 million in the three and nine month periods ended September 30, 2008 compared to the same periods in 2007 reflecting higher revenues from energy brokering.

Operation & Maintenance (O&M) expenses increased $0.5 million for the three month period ended September 30, 2008 compared to the same period in 2007. The increase in the three month period reflects higher salary and benefit costs of $0.3 million, higher bad debt expenses of $0.2 million and higher utility operating costs of $0.2 million, partially offset by lower professional fees of $0.2 million. For the nine month period ended September 30, 2008, O&M expenses decreased $1.1 million compared to the same period in 2007, including a reduction of $2.8 million from the proceeds of an insurance settlement, lower utility operating costs of $0.1 million and lower professional fees of $0.1 million, partially offset by increases in salary and benefit costs of $1.5 million and higher bad debt expenses of $0.4 million.

Depreciation, Amortization & Other expenses decreased $0.1 million in the three month period ended September 30, 2008, reflecting lower amortization of information systems related costs and lower income tax expense in the current quarter compared to the same period in 2007, partially offset by higher depreciation on normal utility plant additions. For the nine month period ended September 30, 2008, Depreciation, Amortization & Other expenses increased $1.2 million, primarily reflecting the amortization, in the first quarter of 2008, of $0.7 million of natural gas inventory carrying costs deferred under a previous regulatory ruling and higher depreciation on normal utility plant additions.

Interest Expense, Net increased $0.1 million and $0.5 million for the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007, reflecting higher overall debt outstanding.

Also in the third quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

A more detailed discussion of the Company's results of operations for the three and nine months ended September 30, 2008 and a period-to-period comparison of changes in financial position are presented below.

Balance Sheet

The Company's investment in Net Utility Plant increased by $9.4 million as of September 30, 2008 compared to September 30, 2007. This increase was due to capital expenditures related to UES' and FG&E's electric and gas distribution systems, including expenditures of approximately $0.5 million for the Company's Advanced Metering Infrastructure (AMI) project, which was substantially completed in the first quarter of 2008.

Regulatory Assets decreased by $30.5 million as of September 30, 2008 compared to September 30, 2007, primarily reflecting current year cost recoveries. A significant portion of this decrease is matched by a corresponding decrease of $20.0 million in Power Supply Contract Obligations. The remaining decrease primarily reflects lower levels of Regulatory Assets associated with retirement benefit obligations as well as recoveries of deferred charges (See "Regulatory Accounting" section of "Critical Accounting Policies").

Other Noncurrent Assets increased by $6.8 million as of September 30, 2008 compared to September 30, 2007, including the deferral of $3.9 million of transaction costs and $0.6 million of financing costs in connection with the Company's pending acquisition of Northern and Granite, discussed above, $1.6 million of pre-acquisition information system development costs and $0.7 million of other items unrelated to the acquisition.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – Unitil's total electric kWh sales decreased 2.0% and 2.1% in the three and nine month periods ended September 30, 2008, respectively compared to the same periods in 2007. Electric kWh sales to residential customers in the three and nine month periods ended September 30, 2008 decreased 1.9% and 1.8%, respectively, compared to the same periods in 2007 while sales to C&I customers decreased 2.0% and 2.3%, respectively, in those periods compared to the same periods in 2007. The lower electric kWh sales in 2008 compared to 2007 were driven by lower average usage per customer reflecting milder summer temperatures, a slowing economy and energy conservation.

The following table details total electric kWh sales for the three and nine months ended September 30, 2008 and 2007 by major customer class:

Electric kWh Sales (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2008	2007	Change	% Change	**2008**	2007	Change	% Change
Residential	**176.3**	179.7	(3.4)	(1.9%)	**506.2**	515.6	(9.4)	(1.8%)
Commercial / Industrial	**279.4**	285.1	(5.7)	(2.0%)	**794.5**	813.2	(18.7)	(2.3%)
Total	**455.7**	464.8	(9.1)	(2.0%)	**1,300.7**	1,328.8	(28.1)	(2.1%)

Electric Operating Revenues and Sales Margin - The following table details total Electric Operating Revenues and Sales Margin for the three and nine month periods ended September 30, 2008 and 2007:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2008	2007	$ Change	% Change[1]	**2008**	2007	$ Change	% Change[1]
Electric Operating Revenues:								
Residential	**$ 30.9**	$ 28.6	$ 2.3	4.0%	**$ 87.0**	$ 87.2	$ (0.2)	(0.1%)
Commercial / Industrial	**32.7**	28.3	4.4	7.8%	**85.2**	84.1	1.1	0.6%
Total Electric Operating Revenues	**$ 63.6**	$ 56.9	$ 6.7	11.8%	**$ 172.2**	$ 171.3	$ 0.9	0.5%
Cost of Electric Sales:								
Purchased Electricity	**$ 48.7**	$ 41.9	$ 6.8	12.0%	**$ 128.4**	$ 126.4	$ 2.0	1.2%
Conservation & Load Management	**0.6**	0.8	(0.2)	(0.4%)	**2.0**	2.8	(0.8)	(0.5%)
Electric Sales Margin	**$ 14.3**	$ 14.2	$ 0.1	0.2%	**$ 41.8**	$ 42.1	$ (0.3)	(0.2%)

[1] Represents change as a percent of Total Electric Operating Revenues.

Total Electric Operating Revenues, increased by $6.7 million, or 11.8%, and $0.9 million, or 0.5%, in the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007. Total Electric Operating Revenues include the recovery of costs of electric sales, which are recorded as Purchased Electricity and Conservation & Load Management (C&LM) in Operating Expenses. The net increase in Total Electric Operating Revenues in the three month period reflects higher Purchased Electricity costs of $6.8 million and higher sales margin of $0.1 million, partially offset by lower C&LM revenues of $0.2 million. The net increase in Total Electric Operating Revenues in the nine month period reflects higher Purchased Electricity costs of $2.0 million, lower C&LM revenues of $0.8 million and lower sales margin of $0.3 million.

Purchased Electricity and C&LM revenues increased a net $6.6 million, or 11.6%, and $1.2 million, or 0.7%, of Total Electric Operating Revenues in the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007. The increase in the three month period primarily reflects higher electric commodity prices, partially offset by lower sales volumes. The increase in the nine month period reflects higher electric commodity prices, largely offset by lower sales volumes and lower spending on energy efficiency and conservation programs. Purchased Electricity revenues include the recovery of the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin increased $0.1 million in the three month period ended September 30, 2008 compared to the same period in 2007, reflecting higher electric base rates partially offset by lower sales volumes. For the nine month period ended September 30, 2008, electric sales margin decreased $0.3 million compared to the same period in 2007. The decrease in electric sales margin in the nine month period primarily reflects lower sales volumes, partially offset by higher electric base rates, implemented in March of 2008. Total electric kWh sales decreased 2.0% and 2.1% in the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007, driven by lower average usage per customer reflecting a slowing economy and energy conservation.

Gas Sales, Revenues and Margin

Therm Sales – Unitil's total therm sales of natural gas increased 5.7% in the three month period ended September 30, 2008 compared to the same period in 2007. Gas sales to residential customers in the three month period ended September 30, 2008 were flat compared to the same period in 2007 while sales to C&I customers increased 7.1% in that period compared to the same period in 2007. The increase in gas sales to C&I customers in the three month period reflects increased usage of natural gas in their production operations.

Total therm sales of natural gas in the nine month period ended September 30, 2008 decreased 0.5% compared to the same period in 2007. Gas sales to residential customers in the nine month period ended September 30, 2008 decreased 2.5% compared to the same period in 2007 while sales to C&I customers increased 0.7% in that period compared to the same period in 2007. The lower sales to residential customers in 2008 reflects a milder winter heating season earlier this year and lower average usage by our customers reflecting a slowing economy and energy conservation. The increase in gas sales to C&I customers in the nine month period reflects increased usage of natural gas in those customers' production operations.

The following table details total therm sales for the three and nine months ended September 30, 2008 and 2007 by major customer class:

Therm Sales (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2008	2007	Change	% Change	**2008**	2007	Change	% Change
Residential	**0.7**	0.7	---	---	**7.7**	7.9	(0.2)	(2.5%)
Commercial / Industrial	**3.0**	2.8	0.2	7.1%	**13.9**	13.8	0.1	0.7%
Total	**3.7**	3.5	0.2	5.7%	**21.6**	21.7	(0.1)	(0.5%)

Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three and nine months ended September 30, 2008 and 2007:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2008	2007	$ Change	% Change(1)	**2008**	2007	$ Change	% Change(1)
Gas Operating Revenues:								
Residential	**$ 2.1**	$ 1.8	$ 0.3	7.7%	**$ 13.7**	$ 13.6	$ 0.1	0.4%
Commercial / Industrial	**2.3**	2.1	0.2	5.1%	**11.6**	10.9	0.7	2.9%
Total Gas Operating Revenues	**$ 4.4**	$ 3.9	$ 0.5	12.8%	**$ 25.3**	$ 24.5	$ 0.8	3.3%
Cost of Gas Sales:								
Purchased Gas	**$ 2.4**	$ 2.1	$ 0.3	7.7%	**$ 15.3**	$ 15.8	$ (0.5)	(2.0%)
Conservation & Load Management	**---**	---	---	---	**0.1**	0.1	---	---
Gas Sales Margin	**$ 2.0**	$ 1.8	$ 0.2	5.1%	**$ 9.9**	$ 8.6	$ 1.3	5.3%

(1) Represents change as a percent of Total Gas Operating Revenues.

Total Gas Operating Revenues increased $0.5 million, or 12.8%, and $0.8 million, or 3.3%, in the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007. Total Gas Operating Revenues include the recovery of the cost of gas sales, which are recorded as Purchased Gas and C&LM in Operating Expenses. The net increase in Total Gas Operating Revenues in the three month period reflects higher Purchased Gas costs of $0.3 million and higher gas sales margin of $0.2 million. The net increase in Total Gas Operating Revenues in the nine month period reflects higher gas sales margin of $1.3 million, partially offset by lower Purchased Gas costs of $0.5 million.

Purchased Gas and C&LM revenues increased by $0.3 million, or 7.7% of Total Gas Operating Revenues in the three month period ended September 30, 2008 compared to the same period in 2007 and decreased $0.5 million, or 2.0% of Total Gas Operating Revenues in the nine month period ended September 30, 2008 compared to the same period in 2007. The increase in the three month period reflects higher sales volumes and higher natural gas commodity prices. The decrease in the nine month period reflects lower sales volumes and an increase in the amount of natural gas purchased by customers directly from third-party suppliers, partially offset by higher natural gas commodity prices. Purchased Gas revenues include the recovery of the cost of gas purchased and manufactured to supply the Company's total gas supply requirements as well as other energy supply related costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Gas sales margin increased $0.2 million and $1.3 million in the three and nine months ended September 30, 2008, respectively, compared to the same periods in 2007. The increase in the three month period reflects gas base rates implemented in November 2007 and higher natural gas sales to C&I customers. The increased gas sales margin in the nine month period reflects higher rates, partially offset by lower sales.

Other Operating Revenue

The following table details total Other Operating Revenue for the three and nine months ended September 30, 2008 and 2007:

Other Operating Revenue (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2008	2007	$ Change	% Change	**2008**	2007	$ Change	% Change
Other Operating Revenue	**$ 1.1**	$ 1.0	$ 0.1	10.0%	**$ 2.9**	$ 2.8	$ 0.1	3.6%
Total Other Operating Revenue	**$ 1.1**	$ 1.0	$ 0.1	10.0%	**$ 2.9**	$ 2.8	$ 0.1	3.6%

Total Other Operating Revenue increased by $0.1 million, or 10.0%, and $0.1 million, or 3.6%, in the three and nine month periods ended September 30, 2008 compared to the same periods in 2007. These increases reflect higher revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

Purchased Electricity – Purchased Electricity expenses include the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. Purchased Electricity increased $6.8 million, or 16.2%, and $2.0 million, or 1.6%, in the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007. These increases reflect higher electric commodity prices, partially offset by lower sales volumes. The Company recovers the costs of Purchased Electricity in its rates at cost on a pass through basis and therefore changes in these expenses do not affect Net Income.

Purchased Gas – Purchased Gas expenses include the cost of gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas expenses increased by $0.3 million, or 14.3%, in the three month period ended September 30, 2008 compared to the same period in 2007 and decreased $0.5 million, or 3.2% in the nine month period ended September 30, 2008 compared to the same period in 2007. The increase in the three month period reflects higher sales volumes and higher natural gas commodity prices. The decrease in the nine month period reflects lower sales volumes and an increase in the amount of natural gas purchased by customers directly from third-party suppliers, partially offset by higher natural gas commodity prices. The Company recovers the costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect Net Income.

Operation and Maintenance (O&M) – O&M expense includes electric and gas utility operating costs, and the operating cost of the Company's unregulated business activities. O&M expenses increased $0.5 million for the three month period ended September 30, 2008 compared to the same period in 2007. The increase in the three month period reflects higher salary and benefit costs of $0.3 million, higher bad debt expenses of $0.2 million and higher utility operating costs of $0.2 million, partially offset by lower professional fees of $0.2 million. For the nine month period ended September 30, 2008, O&M expenses decreased $1.1 million compared to the same period in 2007, including a reduction of $2.8 million from the proceeds of an insurance settlement, lower utility operating costs of $0.1 million and lower professional fees of $0.1 million, partially offset by increases in salary and benefit costs of $1.5 million and higher bad debt expenses of $0.4 million.

Conservation & Load Management – C&LM expenses are associated with the development, management, and delivery of the Company's Energy Efficiency programs. Energy Efficiency programs are designed, in conformity with state regulatory requirements, to help consumers use natural gas and electricity more efficiently and thereby decrease their energy costs. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 90% of these costs are related to electric operations and 10% to gas operations.

Total C&LM expenses decreased $0.2 million, or 25.0% and $0.8 million, or 27.6%, in the three and nine month periods ended September 30, 2008 compared to the same periods in 2007. These changes reflect the timing of spending on the implementation of Energy Efficiency programs. These costs are collected from customers on a pass through basis and therefore, fluctuations in program costs have no impact on Net Income.

Depreciation, Amortization and Taxes

Depreciation and Amortization - Depreciation and Amortization expense increased by $0.1 million, or 2.2% and $0.9 million, or 6.7% in the three and nine month periods ended September 30, 2008, respectively, compared to the same periods in 2007. The increase in the three month period primarily reflects higher depreciation on normal utility plant additions, partially offset by lower amortization of information systems related costs. The increase in the nine month period primarily reflects the amortization, in the first quarter of 2008, of $0.7 million of natural gas inventory carrying costs deferred under a previous regulatory ruling and higher depreciation on normal utility plant additions.

Local Property and Other Taxes - Local Property and Other Taxes increased by $0.1 million, or 7.7% and by $0.3 million, or 7.1% in the three and nine month periods ended September 30, 2008 compared to the same periods in 2007. These increases were due to higher property tax rates on increased property assessments and higher payroll taxes on higher compensation expenses.

Federal and State Income Taxes - Federal and State Income Taxes were lower by $0.3 million in the three month period ended September 30, 2008 compared to the same period in 2007 reflecting lower pre-tax earnings and a lower effective tax rate year over year due to the recognition of higher permanent book/tax differences, including higher tax credits and prior year tax return true-up adjustments, in the third quarter of 2008. Federal and State Income Taxes were lower by $0.2 million in the nine month period ended September 30, 2008 compared to the same period in 2007 reflecting a lower effective tax rate year over year due to the same items discussed above.

Other Non-operating Expenses

Other Non-operating Expenses were flat in the three month period ended September 30, 2008 compared to the same period in 2007 and increased by $0.2 million in the nine month period ended September 30, 2008 compared to the same period in 2007. The increase in the nine month period reflects an adjustment of $0.1 million in conjunction with the Company's electric base distribution rate increase in Massachusetts which was implemented in March, 2008.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. Certain reconciling rate mechanisms used by the Company's retail distribution utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

The Company operates a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the Company's tariff, interest is accrued on these balances and will produce either interest income or interest expense. Interest income is recorded on an under-collection of costs, which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

Interest Expense, Net (Millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	**2008**	2007	Change
Interest Expense						
Long-term Debt	$ 2.9	$ 2.9	$ ---	$ 8.6	$ 8.2	$ 0.4
Short-term Debt	0.1	0.1	---	0.5	0.8	(0.3)
Regulatory Liabilities	---	0.1	(0.1)	0.1	0.4	(0.3)
Subtotal Interest Expense	3.0	3.1	(0.1)	9.2	9.4	(0.2)
Interest Income						
Regulatory Assets	(0.6)	(0.7)	0.1	(1.9)	(2.2)	0.3
AFUDC[(1)] and Other	---	(0.1)	0.1	---	(0.4)	0.4
Subtotal Interest Income	(0.6)	(0.8)	0.2	(1.9)	(2.6)	0.7
Total Interest Expense, Net	$ 2.4	$ 2.3	$ 0.1	$ 7.3	$ 6.8	$ 0.5

(1) AFUDC – Allowance for Funds Used During Construction

Interest Expense, Net increased $0.1 million for the three month period ended September 30, 2008 compared to the same period in 2007. The increase in the three month period reflects lower Allowance for Funds Used During Construction (AFUDC) and interest earned on regulatory assets. For the nine month period ended September 30, 2008, Interest Expense, Net increased $0.5 million compared to the same period in 2007, reflecting higher interest expense associated with an increase in long-term debt outstanding and lower AFUDC and interest earned on regulatory assets compared to the prior period.

LIQUIDITY AND CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities, excluding payment of dividends. The Company initially supplements internally generated funds through bank borrowings, as needed, under unsecured short-term bank lines. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions, if any; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

At September 30, 2008, Unitil had $37.0 million in unsecured revolving lines of credit through two banks. The Company had short-term debt outstanding through bank borrowings of $21.7 million and $13.0 million at September 30, 2008 and 2007, respectively.

On February 15, 2008, the Company entered into a Stock Purchase Agreement with NiSource and Bay State to acquire all of the outstanding stock of Northern and Granite. The Company has a commitment letter to enter into a senior unsecured bridge facility, which the Company expects to use to finance this transaction. The Company anticipates either financing the initial acquisition or refinancing the bridge facility with the issuance of a combination of long-term debt and common equity securities. (See discussion on the pricing of the anticipated sale and issuance of long-term debt in the "Overview" section above and in Note 4.)

The Company provides limited guarantees on certain energy contracts entered into by its regulated subsidiaries. The Company's policy is to limit these guarantees to the duration of the contracts, which range from less than one to thirteen months. As of September 30, 2008, there were approximately $6.0 million of guarantees outstanding and the longest term guarantee extends through October 31, 2009. The Company also agreed to guarantee the payment of principal and interest on the Granite notes, when they are issued, as discussed in the "Overview" section above and in Note 4.

Off-Balance Sheet Arrangements

There have been no material changes to the discussion of "Off-Balance Sheet Arrangements" included in Part II, Item 7 of the Company's Form 10-K for the year ended December 31, 2007, as filed with the Securities and Exchange Commission on February 12, 2008.

Cash Flows

The tables below summarize the major sources and uses of cash (in millions) for the nine months ended September 30, 2008 compared to the same period in 2007.

	Nine Months Ended September 30,	
	2008	2007
Cash Provided by Operating Activities	**$ 27.1**	$ 23.6

Cash Provided by Operating Activities - Cash Provided by Operating Activities was $27.1 million during the nine months ended September 30, 2008, an increase of $3.5 million over the comparable period in 2007. Cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes was $23.2 million and $16.9 million in the first nine months of 2008 and 2007, respectively. Changes in Current Assets and Liabilities (working capital) provided $1.2 million and $3.5 million in cash flow in the 2008 and 2007 nine-month periods. Deferred Restructuring Charges provided $2.4 million and $1.5 million in cash in the first nine months of 2008 and the same period in 2007, respectively. All other items resulted in net sources of cash of $0.3 million and $1.7 million in the first nine months of 2008 and 2007, respectively.

	Nine Months Ended September 30,	
	2008	2007
Cash (Used in) Investing Activities	**$ (20.6)**	$ (25.9)

Cash (Used in) Investing Activities - Cash (Used in) Investing Activities was $20.6 million for the nine months ended September 30, 2008, a decrease in capital spending of $5.3 million over the comparable period in 2007. This is mainly due to the funding in 2007 and the completion in 2008 of the Company's Advanced Metering

Infrastructure (AMI) project. In the first nine months of 2007, capital expenditures included approximately $5.9 million of cash outlays for investment in the AMI project.

	Nine Months Ended September 30,	
	2008	2007
Cash Provided by (Used in) Financing Activities	**$ (6.1)**	$ 1.9

Cash Provided by (Used in) Financing Activities - Cash (Used in) Financing Activities was $6.1 million in the nine months ended September 30, 2008. Uses of cash primarily reflect Unitil's regular quarterly dividend payments on Common and Preferred Stock, expenditures related to the Company's acquisition of Northern and Granite, discussed above, and the scheduled repayment of long-term debt. Proceeds from the issuance of Common Stock through the Company's stock plans and additional short-term debt provided $3.6 million of cash in 2008. In the second quarter of 2007, Unitil received cash proceeds of $20.0 million from the issuance of Senior Long-term Notes, which were used to pay down short-term debt.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, management is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgments, the financial statements of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 12, 2008.

Regulatory Accounting - The Company's principal business is the distribution of electricity and natural gas by the retail distribution utilities: UES and FG&E. Both UES and FG&E are subject to regulation by the FERC and FG&E is regulated by the MDPU and UES is regulated by the NHPUC. Accordingly, the Company uses the provisions of Financial Accounting Standards Board (FASB) Statement on Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation." (SFAS No. 71). In accordance with SFAS No. 71, the Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

The Company's principal regulatory assets and liabilities are detailed on the Company's Consolidated Balance Sheet and a summary of the Company's Regulatory Assets is provided below. The Company receives a return on investment on its regulated assets for which a cash outflow has been made.

Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated distribution utilities will recover their investments in long-lived assets, including regulatory assets. The Company also has commitments under long-term contracts for the purchase of electricity and natural gas from various suppliers. The annual costs under these contracts are included in Purchased Electricity and Purchased Gas in the Consolidated Statements of Earnings and these costs are recoverable in current and future rates under various orders issued by the FERC, MDPU and NHPUC.

Regulatory Assets consist of the following (millions)	September 30, 2008	September 30, 2007	December 31, 2007
Power Supply Buyout Obligations	**$ 57.7**	$ 77.7	$ 72.7
Deferred Restructuring Costs	**28.1**	29.5	30.5
Generation-related Assets	**1.0**	1.8	1.6
Subtotal – Restructuring Related Items	**86.8**	109.0	104.8
Retirement Benefit Obligations	**35.2**	37.3	35.1
Income Taxes	**13.4**	17.9	14.6
Environmental Obligations	**11.6**	13.1	13.1
Other	**3.3**	3.5	2.9
Total Regulatory Assets	**$ 150.3**	$ 180.8	$ 170.5

If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of SFAS No. 71. If unable to continue to apply the provisions of SFAS No. 71, the Company would be required to apply the provisions of FASB Statement No. 101, "Regulated Enterprises – Accounting for the Discontinuation of Application of Financial Accounting Standards Board Statement No. 71." In the Company's opinion, its regulated operations will be subject to SFAS No. 71 for the foreseeable future.

Utility Revenue Recognition - Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. The determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts - The Company recognizes a provision for doubtful accounts each month. The amount of the monthly provision is based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. Account write-offs, net of recoveries, are processed monthly. At the end of each month, an analysis of the delinquent receivables is performed and the adequacy of the Allowance for Doubtful Accounts is reviewed. The analysis takes into account an assumption about the cash recovery of delinquent receivables and also uses calculations related to customers who have chosen payment plans to resolve their arrears. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company is authorized by regulators to recover the supply-related portion of its written-off accounts from customers through periodically reconciling rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. Also, the Company has experienced periods when state regulators have extended the periods during which certain standard credit and collection activities of utility companies are suspended. In periods when account write-offs exceed estimated levels, the Company adjusts the provision for doubtful accounts to maintain an adequate Allowance for Doubtful Accounts balance. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

Retirement Benefit Obligations - The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company

sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", (SFAS No. 158), an amendment of SFAS No. 87, "Employers' Accounting for Pensions", SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," SFAS No. 106, "Employers' Accounting for Postretirement Benefits other than Pensions" and SFAS No. 132(R), "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS No. 158 requires companies to record on their balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas retail rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's health care cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs. The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO.

If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2007 and 2006, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $200,000 in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2007 and 2006, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $690,000 and $683,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $539,000 and $530,000, respectively. (See Note 8)

Income Taxes - Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of income is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets. The Company accounts for income tax assets, liabilities and expenses in accordance with FASB Statement No. 109, "Accounting for Income Taxes" (SFAS No. 109) and under FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109.

Depreciation - Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies - The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with SFAS No. 5, "Accounting for Contingencies". SFAS No. 5 applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of September 30, 2008, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to “Recently Issued Pronouncements” in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

As of September 30, 2008, there were 305 employees of the Company, of which 82 employees are represented by labor unions. In May 2005, the Company reached agreements with its bargaining units for new five-year contracts, effective June 1, 2005. These agreements replace contracts that expired on May 31, 2005.

INTEREST RATE RISK

The majority of the Company’s debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new long-term debt securities issued by the Company. In addition, the Company’s short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease the Company’s interest expense in future periods. For example, if the Company had an average amount of short-term debt outstanding of $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000 (pre-tax). The average interest rates on the Company’s short-term borrowings for the three months ended September 30, 2008 and 2007 were 3.03% and 5.71%, respectively. The average interest rates on the Company’s short-term borrowings for the nine months ended September 30, 2008 and 2007 were 3.28% and 5.75%, respectively.

MARKET RISK

Although Unitil's retail distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	**2008**	2007
Operating Revenues				
Electric	**$ 63.6**	$ 56.9	**$ 172.2**	$ 171.3
Gas	**4.4**	3.9	**25.3**	24.5
Other	**1.1**	1.0	**2.9**	2.8
Total Operating Revenues	**69.1**	61.8	**200.4**	198.6
Operating Expenses				
Purchased Electricity	**48.7**	41.9	**128.4**	126.4
Purchased Gas	**2.4**	2.1	**15.3**	15.8
Operation and Maintenance	**7.0**	6.5	**18.7**	19.8
Conservation & Load Management	**0.6**	0.8	**2.1**	2.9
Depreciation and Amortization	**4.6**	4.5	**14.3**	13.4
Provisions for Taxes:				
Local Property and Other	**1.4**	1.3	**4.5**	4.2
Federal and State Income	**0.5**	0.8	**3.0**	3.2
Total Operating Expenses	**65.2**	57.9	**186.3**	185.7
Operating Income	**3.9**	3.9	**14.1**	12.9
Non-Operating Expenses	**---**	---	**0.3**	0.1
Income Before Interest Expense	**3.9**	3.9	**13.8**	12.8
Interest Expense, Net	**2.4**	2.3	**7.3**	6.8
Net Income	**1.5**	1.6	**6.5**	6.0
Less: Dividends on Preferred Stock	**---**	---	**0.1**	0.1
Earnings Applicable to Common Shareholders	**$ 1.5**	$ 1.6	**$ 6.4**	$ 5.9
Average Common Shares Outstanding – Basic (000's)	**5,745**	5,659	**5,733**	5,643
Average Common Shares Outstanding - Diluted (000's)	**5,748**	5,668	**5,738**	5,659
Earnings Per Common Share (Basic and Diluted)	**$ 0.27**	$ 0.28	**$ 1.12**	$ 1.04
Dividends Declared Per Share of Common Stock	**$ 0.345**	$ 0.345	**$ 1.38**	$ 1.38

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)

	(UNAUDITED) September 30, 2008	September 30, 2007	December 31, 2007
ASSETS:			
Utility Plant:			
Electric	**$ 275.5**	$ 260.5	$ 266.2
Gas	**71.3**	65.5	67.8
Common	**27.3**	25.8	26.2
Construction Work in Progress	**10.9**	24.2	20.3
Total Utility Plant	**385.0**	376.0	380.5
Less: Accumulated Depreciation	**129.0**	129.4	131.6
Net Utility Plant	**256.0**	246.6	248.9
Current Assets:			
Cash	**5.0**	4.2	4.6
Accounts Receivable – Net of Allowance for Doubtful Accounts of $1.3, $2.1 and $1.3	**23.2**	22.8	24.9
Accrued Revenue	**14.7**	9.5	12.7
Refundable Taxes	**0.4**	---	0.7
Materials and Supplies	**5.1**	4.4	4.5
Prepayments and Other	**1.1**	1.2	1.5
Total Current Assets	**49.5**	42.1	48.9
Noncurrent Assets:			
Regulatory Assets	**150.3**	180.8	170.5
Debt Issuance Costs, net	**2.7**	2.8	2.8
Other Noncurrent Assets	**9.0**	2.2	3.5
Total Noncurrent Assets	**162.0**	185.8	176.8
TOTAL	**$ 467.5**	$ 474.5	$ 474.6

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) September 30, 2008	(UNAUDITED) September 30, 2007	December 31, 2007
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 99.9**	$ 97.4	$ 100.4
Preferred Stock, Non-Redeemable, Non-Cumulative	**0.2**	0.2	0.2
Preferred Stock, Redeemable, Cumulative	**1.8**	1.8	1.9
Long-Term Debt, Less Current Portion	**159.4**	159.8	159.6
Total Capitalization	**261.3**	259.2	262.1
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.4	0.4
Capitalized Leases, Current Portion	**0.2**	0.3	0.3
Short-Term Debt	**21.7**	13.0	18.8
Accounts Payable	**18.0**	15.0	17.6
Taxes Payable	**---**	3.5	---
Interest and Dividends Payable	**5.0**	5.0	1.9
Other Current Liabilities	**5.0**	4.6	5.1
Total Current Liabilities	**50.3**	41.8	44.1
Deferred Income Taxes	**34.4**	31.4	33.4
Noncurrent Liabilities:			
Power Supply Contract Obligations	**57.7**	77.7	72.7
Retirement Benefit Obligations	**49.5**	50.8	48.2
Environmental Obligations	**12.0**	12.0	12.0
Capitalized Leases, Less Current Portion	**0.4**	0.5	0.5
Other Noncurrent Liabilities	**1.9**	1.1	1.6
Total Noncurrent Liabilities	**121.5**	142.1	135.0
TOTAL	**$ 467.5**	$ 474.5	$ 474.6

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
Operating Activities:		
Net Income	**$ 6.5**	$ 6.0
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	**14.3**	13.4
Deferred Taxes	**2.4**	(2.5)
Changes in Current Assets and Liabilities:		
Accounts Receivable	**1.7**	(0.3)
Accrued Revenue	**(2.0)**	4.3
Accounts Payable	**0.4**	(4.8)
Taxes Payable	**0.3**	2.6
All other Current Assets and Liabilities	**0.8**	1.7
Deferred Restructuring Charges	**2.4**	1.5
Other, net	**0.3**	1.7
Cash Provided by Operating Activities	**27.1**	23.6
Investing Activities:		
Property, Plant and Equipment Additions	**(20.6)**	(25.9)
Cash (Used in) Investing Activities	**(20.6)**	(25.9)
Financing Activities:		
Proceeds From (Repayment of) Short-Term Debt, net	**2.9**	(13.0)
Proceeds From Issuance of Long-Term Debt	**---**	20.0
Repayment of Long-Term Debt	**(0.2)**	(0.1)
Dividends Paid	**(6.1)**	(6.0)
Issuance of Common Stock	**0.7**	1.3
Retirement of Preferred Stock	**---**	(0.1)
Acquisition-Related Expenditures	**(3.3)**	---
Other, net	**(0.1)**	(0.2)
Cash (Used in) Provided by Financing Activities	**(6.1)**	1.9
Net Increase (Decrease) in Cash	**0.4**	(0.4)
Cash at Beginning of Period	**4.6**	4.6
Cash at End of Period	**$ 5.0**	$ 4.2
Supplemental Cash Flow Information:		
Interest Paid	**$ 8.0**	$ 7.6
Income Taxes Paid	**$ 0.5**	$ 3.3

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three and nine months ended September 30, 2008 are not necessarily indicative of results to be expected for the year ending December 31, 2008. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2007, as filed with the SEC on February 12, 2008, for a description of the Company's Basis of Presentation.

Nature of Operations - Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. Prior to the passage of the Energy Policy Act of 2005, Unitil and its subsidiaries were subject to regulation as a registered holding company system under the Public Utility Holding Company Act of 1935 (PUHCA) by the Securities and Exchange Commission (SEC). As a result of the enactment of the Energy Policy Act of 2005, PUHCA has been repealed. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (UES), Fitchburg Gas and Electric Light Company (FG&E), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

Unitil's principal business is the retail distribution of electricity in the southeastern seacoast and capital city areas of New Hampshire and the retail distribution of both electricity and natural gas in the greater Fitchburg area of north central Massachusetts, through the Company's two wholly-owned subsidiaries, UES and FG&E, collectively referred to as the retail distribution utilities.

A third utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for UES. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of UES on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve UES' customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service, Unitil Realty and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Recently Issued Pronouncements – On September 12, 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 133-1 and FIN 45-4, "Disclosures about Credit Derivatives and Certain Guarantees: An Amendment of FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", (SFAS No. 133) and FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others", (FIN 45); and Clarification of the Effective Date of FASB Statement No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133" (SFAS No. 161)", (FSP FAS 133-1 and FIN 45-4). FSP FAS 133-1 and FIN 45-4 is effective for reporting periods ending after November 15, 2008, with early adoption permitted. FSP FAS 133-1 and FIN 45-4 (i) amends SFAS No. 133 to require disclosures by sellers of credit derivatives, including credit derivatives embedded in a hybrid instrument, (ii) amends FIN 45 to require an additional disclosure about the current status of the payment/performance risk of a guarantee, and (iii) clarifies the

FASB's intent about the effective date of SFAS No. 161. The Company adopted FSP FAS 133-1 and FIN 45-4 and there was no impact on its financial statements.

In May 2008, the FASB issued FASB Statement No. 162, "The Hierarchy of Generally Accepted Accounting Principles", (SFAS No. 162), effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board's amendments to AU Section 411. SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. The Company will adopt SFAS No. 162 when it is approved and does not expect it to have any impact on its financial statements.

In March 2008, the FASB issued SFAS No. 161, effective for fiscal years and interim periods beginning after November 15, 2008, with early adoption allowed. SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 with the intent to provide users of financial statements with an enhanced understanding of an entity's use of derivative instruments and the effect of those derivative instruments on an entity's financial statements. The Company adopted SFAS No. 161 and there was no impact on its financial statements.

In December 2007, the FASB issued FASB Statement No. 141 (Revised 2007), "Business Combinations" (SFAS No. 141R), effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 141R establishes principles and requirements on how an acquirer recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, noncontrolling interests in the acquiree, goodwill or gain from a bargain purchase and accounting for transaction costs. Additionally, SFAS No. 141R determines what information must be disclosed to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The Company will adopt SFAS No. 141R upon its effective date and expects the adoption to affect any business combinations effected on or subsequent to that date.

In September 2006, the FASB issued FASB Statement No. 157, "Fair Value Measurements", (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Certain requirements of SFAS No. 157 are effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The effective date for other requirements of SFAS No. 157 has been deferred for one year by the FASB. The Company adopted the sections of SFAS No. 157 which are effective for fiscal years beginning after November 15, 2007 and there was no additional impact on the Company's Consolidated Financial Statements. The Company's fixed rate long-term debt falls under the fair value reporting requirements of SFAS No. 157. Accordingly, the Company has estimated the fair value of its long-term debt as of September 30, 2008 based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities (See Note 4). The Company does not expect that the adoption of the deferred sections of SFAS No. 157 will have an impact on the Company's Consolidated Financial Statements.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
09/25/08	10/31/08	10/17/08	$ 0.345
06/19/08	08/15/08	08/01/08	$ 0.345
03/20/08	05/15/08	05/01/08	$ 0.345
01/17/08	02/15/08	02/01/08	$ 0.345
09/13/07	11/15/07	11/01/07	$ 0.345
06/21/07	08/15/07	08/01/07	$ 0.345
03/22/07	05/15/07	05/01/07	$ 0.345
01/18/07	02/15/07	02/01/07	$ 0.345

NOTE 3 – COMMON STOCK AND PREFERRED STOCK

As of August 21, 2008 the Company's Common Stock began trading on the New York Stock Exchange and ceased trading on the American Stock Exchange. The Company's Common Stock will continue to trade under its current symbol, "UTL".

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the authorized shares of the Company's Common Stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's Common Stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. Of the 8,000,000 additional shares of newly authorized Common Stock, the Company expects to issue and sell up to 4,000,000 shares in a public offering to partially finance the acquisition of Northern Utilities, Inc. and Granite State Gas Transmission, Inc., discussed below in Note 6. The Company had 5,781,025, 5,730,395, and 5,740,023 of common shares outstanding at September 30, 2008, September 30, 2007 and December 31, 2007, respectively.

During the first nine months of 2008, the Company sold 22,462 shares of its Common Stock, at an average price of $27.43 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $616,000 were used to reduce short-term borrowings.

During the first nine months of 2007, the Company sold 28,675 shares of its Common Stock, at an average price of $27.65 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $793,000 were used to reduce short-term borrowings.

Also, in the second quarter of 2008, the Company issued and sold 3,000 shares of its Common Stock, at an average price of $24.63 per share, in connection with the exercise of stock options under the Unitil Corporation 1998 Stock Option Plan (1998 Plan). Net proceeds of $73,875 were used by the Company to reduce short-term borrowings. As disclosed in Note 2 to the Company's Form 10-K for the year ended December 31, 2007, the 1998 Plan became effective on December 11, 1998. The number of shares granted under this plan, as well as the terms and conditions of each grant, were determined by the Compensation Committee of the Board of Directors, subject to plan limitations. All options granted under this plan vested over a three-year period from the date of the grant, with 25% vesting on the first anniversary of the grant, 25% vesting on the second anniversary, and 50% vesting on the third anniversary. Under the terms of this plan, key employees may be granted options to purchase the Company's Common Stock at no less than 100% of the market price on the date the option is granted. All options must be exercised no later than 10 years after the date on which they were granted. This plan was terminated on January 16, 2003. There was no compensation expense associated with this plan in 2008 and 2007. The plan will remain in effect solely for the purposes of the continued administration of all options currently outstanding under the plan. No further grants of options will be made under this plan. As of September 30, 2008, there are 104,000 options vested and exercisable outstanding.

The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 6, 2008, 15,540 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $445,998. Compensation expense associated with shares issued under the Plan is recognized ratably as the shares vest and was $0.4 million and $0.3 million for nine months ended September 30, 2008 and 2007, respectively. At September 30, 2008, there was approximately $0.9 million of total unrecognized compensation cost related to non-vested shares under the Plan which is expected to be recognized over approximately 2.6 years as the shares vest. During 2008, 11,249 restricted shares vested. As of September 30, 2008 there were 32,218 unvested restricted shares.

Details on preferred stock at September 30, 2008, September 30, 2007 and December 31, 2007 are shown below:

(Amounts in Millions)

	(Unaudited) September 30, 2008	September 30, 2007	December 31, 2007
Preferred Stock			
UES Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	**$ 0.2**	$ 0.2	$ 0.2
FG&E Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	**0.8**	0.8	0.9
8.00% Series, $100 Par Value	**1.0**	1.0	1.0
Total Preferred Stock	**$ 2.0**	$ 2.0	$ 2.1

NOTE 4 – LONG-TERM DEBT

Details on long-term debt at September 30, 2008, September 30, 2007 and December 31, 2007 are shown below:

(Amounts in Millions)

	(Unaudited) September 30, 2008	September 30, 2007	December 31, 2007
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due August 1, 2017	**4.8**	5.2	5.0
Total Long-Term Debt	**159.8**	160.2	160.0
Less: Current Portion	**0.4**	0.4	0.4
Total Long-term Debt, Less Current Portion	**$ 159.4**	$ 159.8	$ 159.6

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at September 30, 2008 is estimated to be approximately $158 million, before considering any costs, including prepayment costs, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

The Company provides limited guarantees on certain energy contracts entered into by its regulated subsidiary companies. The Company's policy is to limit these guarantees to two years or less. As of September 30, 2008 there are $6 million of guarantees outstanding and these guarantees extend through October 31, 2009. These guarantees are not required to be recorded under the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others."

On September 12, 2008, in connection with the Company's acquisition of Northern Utilities, Inc. and Granite State Gas Transmission, Inc. (See Note 6), the Company priced the anticipated sale and issuance of $80.0 million aggregate principal amount of senior unsecured notes by Northern and $10.0 million aggregate principal amount of senior unsecured notes by Granite. The notes consist of:

(iv) $30.0 million aggregate principal amount of 6.95% senior unsecured notes of Northern, which are due in 2018;

(v) $50.0 million aggregate principal amount of 7.72% senior unsecured notes of Northern, which are due in 2038; and

(vi) $10.0 million aggregate principal amount of 7.15% senior unsecured notes of Granite, which are due in 2018.

The Company agreed to guarantee the payment of principal and interest on the Granite notes.

The Company plans to use the proceeds from the sale and issuance of the notes to repay all amounts outstanding under a bridge credit facility that will used to partially finance the acquisitions of Northern and Granite. The Company expects to close the sale and issuance of the notes promptly after the closing of the acquisitions.

The sale and issuance of the notes (i) is subject to the execution of definitive note purchase agreements by Northern, Granite and the prospective purchasers of the notes and satisfaction of closing conditions, (ii) will not be, and has not been, registered under the Securities Act of 1933 and the notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements and (iii) is not conditioned upon the closing of the offering of the Company's common stock, as described above. The Company has received the required regulatory approvals from the Public Utilities Commissions in New Hampshire and Maine for these debt issuances.

NOTE 5 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three and nine months ended September 30, 2008 and September 30, 2007 (Millions):

Three Months Ended:	Electric	Gas	Other	Non-Regulated	Total
September 30, 2008					
Revenues	**$ 63.6**	**$ 4.4**	**$ ---**	**$ 1.1**	**$ 69.1**
Segment Profit (Loss)	**1.9**	**(0.6)**	**---**	**0.2**	**1.5**
Capital Expenditures	**6.3**	**2.6**	**1.5**	**---**	**10.4**
September 30, 2007					
Revenues	$ 56.9	$ 3.9	$ ---	$ 1.0	$ 61.8
Segment Profit (Loss)	2.3	(0.7)	(0.1)	0.1	1.6
Capital Expenditures	4.7	1.7	(0.1)	---	6.3
Nine Months Ended:					
September 30, 2008					
Revenues	**$ 172.2**	**$ 25.3**	**$ ---**	**$ 2.9**	**$ 200.4**
Segment Profit (Loss)	**4.4**	**1.9**	**(0.2)**	**0.3**	**6.4**
Capital Expenditures	**15.9**	**3.1**	**1.6**	**---**	**20.6**
Segment Assets	**329.8**	**106.5**	**30.2**	**1.0**	**467.5**
September 30, 2007					
Revenues	$ 171.3	$ 24.5	$ ---	$ 2.8	$ 198.6
Segment Profit (Loss)	5.7	---	---	0.2	5.9
Capital Expenditures	21.8	3.9	0.2	---	25.9
Segment Assets	339.0	110.2	24.4	0.9	474.5

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 5 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2007 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 12, 2008.

FG&E – Electric Division – On December 3, 2007, FG&E submitted its annual reconciliation of costs and revenues for Transition, Transmission, Standard Offer Service, and Default Service filed under its restructuring plan (the Annual Reconciliation Filing). The rates were approved effective January 1, 2008, subject to reconciliation pursuant to the MDPU's investigation. On June 6, 2008, FG&E submitted a revised Transition Charge reducing the recovery of net costs associated with the sale of Wyman 4 by $36,762 pursuant to an agreement with the Attorney General. This filing was approved on August 19, 2008.

FG&E – Other – On June 22, 2007, the MDPU opened an inquiry into revenue decoupling for gas and electric distribution utilities, generally defined as a ratemaking mechanism designed to eliminate or reduce the dependence of a utility's distribution revenues on sales. Revenue decoupling is intended to remove the disincentive a utility has to administer and promote customer efforts to reduce energy consumption and demand or to install distributed generation to displace electricity delivered by the utility. On July 16, 2008, the MDPU issued an order establishing a comprehensive plan for decoupling to be adopted by gas and electric distribution utilities on a going-forward basis. Company specific rate cases will be required. Lost base revenue recovery associated with incremental energy efficiency savings will be allowed through 2012 consistent with the MDPU's expectation that, with limited exceptions, distribution companies will be operating under decoupling plans by year-end 2012. Within 45 days of this order, each distribution company was to notify the MDPU of when the company expects to file a rate case to implement decoupling. FG&E notified the MDPU that it will be prepared to file rate cases for each of its divisions by the third quarter of 2009, based upon a calendar 2008 test year, along with a comprehensive decoupling proposal and associated base rate adjustment mechanism. This matter remains pending before the MDPU.

On July 2, 2008, Massachusetts Senate Bill No. 2768 (the "Green Communities Act") was signed into law. The Green Communities Act is intended to increase energy efficiency, update the renewable energy portfolio standard, increase public oversight of utilities, increase service quality of power companies, assist low-income energy customers, and increase the use of renewable generation and energy efficiency products. The Act requires electric companies to boost investment in energy efficiency measures that reduce energy demand and deliver savings to customers; provides a new funding source for efficiency measures through the auction of pollution allowances by power plants through the Regional Greenhouse Gas Initiative; creates stronger incentives for the development of renewable energy, like wind and solar, by requiring 15 percent of electricity to be supplied by new green power facilities by 2020 and establishing a pilot program for utilities to enter into long-term contracts with renewable energy projects; expressly authorizes cities and towns to own renewable energy facilities; and encourages green building design through updated codes, training and assistance. The MDPU has begun to initiate regulatory proceedings to implement various sections of the Act. The impact of any new measures to be required of FG&E in compliance with the Act cannot be estimated at this time.

UES – In July, 2008, the State of New Hampshire passed a law that allows electric utilities to make investments in distributed energy resources including energy efficiency and demand reduction technologies as well as clean cogeneration and renewable generation. In June, 2008, The State of New Hampshire also passed a law approving state participation in the Regional Greenhouse Gas Initiative (RGGI). The RGGI program begins in 2009 and requires large electric generators in 10 northeast and mid-atlantic states to purchase allowances for their carbon emissions. These allowances are being sold through a regional auction process and the funds will be used by the states for investments in energy efficiency and alternative energy.

On March 14, 2008, UES made its annual reconciliation and rate filing with the NHPUC under its restructuring plan, for rates effective May 1, 2008, including reconciliation of prior year costs and revenues, power supply and power supply-related stranded costs. The filing was approved on April 23, 2008. On July 9, 2008, UES proposed an increase to its External Delivery Charge, effective September 1, 2008, reflecting higher transmission costs. The filing was approved on August 29, 2008.

On June 22, 2007, the NHPUC issued an order in its investigation into implementation of the federal Energy Policy Act of 2005 regarding the adoption of standards for time-based metering and interconnection. On August 31, 2007, the NHPUC issued an order on motion for rehearing, staying the June 22, 2007 order pending hearing and reconsideration of the issues. An order following rehearing was issued on January 22, 2008 finding that it is appropriate to implement some form of time-based metering standards and ordering that the details, including cost-benefit analyses, form of rate design, time of implementation and applicable customer classes shall be determined in separate proceedings to be initiated by the Commission. In a decision issued on September 15, 2008, the NHPUC ordered the establishment of a working group to facilitate the evaluation and implementation of advanced metering infrastructure and time-based rates and that such working group make a report to the Commission by December 1, 2008 with regard to next steps toward utility specific cost-benefit analyses regarding such implementation. The Commission also found that additional review of the energy standards for net metering, fuel diversity and fossil fuel generation efficiency as proposed in the Energy Policy Act of 2005 is not required due to action of the NH legislature and the Commission in adopting comparable standards.

On May 14, 2007, the NHPUC issued an order opening an investigation into the merits of instituting appropriate rate mechanisms, such as revenue decoupling, which would have the effect of removing obstacles to, and encouraging investment in, energy efficiency. This matter is pending before the NHPUC.

Acquisition of Northern Utilities Inc. and Granite State Gas Transmission, Inc.: On February 15, 2008, the Company entered into a Stock Purchase Agreement with NiSource, Inc. (NiSource) and Bay State Gas Company (Bay State, which is a wholly owned utility subsidiary of NiSource), to acquire all of the outstanding stock of Northern Utilities, Inc. (Northern), and Granite State Gas Transmission, Inc. (Granite) for $160 million in cash, which amount is subject to a working capital adjustment. The transaction is expected to be financed initially with proceeds from newly issued common stock together with a bridge credit facility. In the event that the equity offering is delayed until after the transaction closes, the Company may initially finance the transaction entirely with the bridge facility. The Company expects to repay the bridge facility as soon as practical after the transaction closes using the proceeds from the issuance of notes and newly issued common stock.

On March 31, 2008, Unitil and Northern filed joint petitions and supporting testimony with the Maine Public Utilities Commission (MPUC) and the NHPUC requesting approval of the acquisitions. Subsequently, on May 30, 2008, Unitil and Northern filed joint petitions before both the NHPUC and MPUC requesting authority for Northern to issue unsecured long term debt to finance the acquisition of Northern by Unitil. In August, 2008, unopposed stipulation agreements resolving all outstanding issues and recommending approval of the acquisition and the financing petitions were filed with the MPUC and the NHPUC on behalf of Unitil, Northern and the active parties to the respective Maine and New Hampshire proceedings.

On October 10, 2008, the NHPUC issued orders approving the stipulation agreement and the financing petition, and authorizing the acquisition of Northern by Unitil.

On October 6, 2008, the MPUC publicly deliberated the matter and voted to approve the joint petition and stipulation agreement with conditions, subject to its issuance of a final written order. On October 22, 2008, the MPUC issued its written order approving the stipulation agreement and authorizing the acquisition of Northern by Unitil, subject to several conditions. Based on its review of the written order, Unitil expects to file along with Northern, a motion for reconsideration of the order on narrow grounds requesting clarification and/or modification of conditions of approval contained in the order. These conditions would potentially contravene the allocation of risks agreed to by the parties in the stipulation agreement and underlying Stock Purchase Agreement with regard to several pending regulatory safety and compliance proceedings involving Northern. At this time, Unitil can not predict what changes, if any, the MPUC's reconsideration and continued deliberation of this matter will have on its order or the unopposed stipulation agreement of the parties in this proceeding.

As a result of statutory changes in Massachusetts (see discussion of "Green Communities Act," above), on August 13, 2008, Unitil and Bay State also filed a joint petition with the MDPU requesting an advisory ruling that Massachusetts law is not applicable to the proposed transaction, or, in the alternative, that it approve the transaction as consistent with the public interest. The Massachusetts Attorney General has asserted that Massachusetts law grants the MDPU jurisdiction to review the transaction, and argues that Bay State's customers will be harmed by the sale. Unitil and Bay State dispute the Attorney General's assertions. On October 1, 2008, a hearing on the joint petition was held before the MDPU, and on October 10 and October 17 the Parties to the proceeding filed their Initial and Reply Briefs, respectively. The Company has requested a final order from the MDPU on or before November 3, 2008, to allow the Company to proceed with the financing and closing of the transaction in the fourth quarter of 2008. The joint petition remains under active consideration by the MDPU.

As of September 30, 2008, the Company has deferred \$3.9 million of transaction costs and \$0.6 million of financing costs in connection with the Company's pending acquisition of Northern and Granite, discussed above, and \$1.6 million of pre-acquisition system development costs. The transaction is expected to close by the end of 2008, subject to completion of the regulatory review process.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 5 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2007 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 12, 2008.

The Company's past and present operations include activities that are generally subject to extensive federal and state environmental laws and regulations. The Company believes it is in compliance in all material respects with all applicable environmental and safety laws and regulations, and the Company believes that as of September 30, 2008, there are no material losses reasonably possible in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included on the Company's Consolidated Balance Sheet at September 30, 2008, in Environmental Obligations is $12.0 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant site at Sawyer Passway, located in Fitchburg, Massachusetts. A corresponding regulatory asset was recorded to reflect the future rate recovery of these costs. As noted above, please refer to Note 5 to the financial statements in Item 8 of Part II of the Company's Form 10-K for December 31, 2007 for additional information. The Company received an insurance settlement during the first quarter of 2008 associated with environmental remediation costs. Any recovery that FG&E receives from insurance or third parties with respect to environmental response costs, net of the unrecovered costs associated therewith, are split equally between FG&E and its gas customers.

NOTE 8: RETIREMENT BENEFIT OBLIGATIONS

The Company sponsors the following retirement benefit plans to provide certain pension and postretirement benefits for its retirees and current employees as follows:

- The Unitil Corporation Retirement Plan (Pension Plan) - The Pension Plan is a defined benefit pension plan covering substantially all of its employees. Under the Pension Plan, retirement benefits are based upon an employee's level of compensation and length of service.
- The Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan) – The PBOP Plan provides health care and life insurance benefits to retirees. The Company has established Voluntary Employee Benefit Trusts (VEBT), into which it funds contributions to the PBOP Plan.
- The Unitil Corporation Supplemental Executive Retirement Plan (SERP) – The SERP is an unfunded retirement plan, with participation limited to executives selected by the Board of Directors.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

Used to Determine Plan Costs	**2008**	2007
Discount Rate	**6.00%**	5.50%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.50%**	9.00%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2016

Used to Determine Benefit Obligations:	**2008**	2007
Discount Rate	**6.00%**	5.50%
Rate of Compensation Increase	**3.50%**	3.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.50%**	8.50%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health care Cost Trend Rate is reached	**2017**	2016

The following tables provide the components of the Company's Retirement plan costs ($000's):

	Pension Plan		PBOP Plan		SERP	
Three Months Ended September 30,	**2008**	2007	**2008**	2007	**2008**	2007
Service Cost	**$ 488**	$ 492	**$ 355**	$ 358	**$ 37**	$ 40
Interest Cost		834	**559**	514	**31**	29
Expected Return on Plan Assets	**(1,093)**	(1,050)	**(82)**	(61)	**---**	---
Prior Service Cost Amortization	**27**	27	**341**	341	**1**	---
Transition Obligation Amortization	**---**	---	**6**	5	**---**	---
Actuarial Loss Amortization	**318**	336	**---**	17	**6**	11
Sub-total	**684**	639	**1,179**	1,174	**75**	80
Amounts Capitalized and Deferred	**(226)**	(215)	**(496)**	(489)	**---**	---
Net Periodic Benefit Cost Recognized	**$ 458**	$ 424	**$ 683**	$ 685	**$ 75**	$ 80

	Pension Plan		PBOP Plan		SERP	
Nine Months Ended September 30,	**2008**	2007	**2008**	2007	**2008**	2007
Service Cost	**$ 1,464**	$ 1,476	**$ 1,065**	$ 1,073	**$ 111**	$ 122
Interest Cost	**2,831**	2,502	**1,677**	1,543	**94**	88
Expected Return on Plan Assets	**(3,280)**	(3,146)	**(245)**	(184)	**---**	---
Prior Service Cost Amortization	**81**	80	**1,022**	1,020	**1**	(1)
Transition Obligation Amortization	**---**	---	**17**	16	**---**	---
Actuarial Loss Amortization	**956**	1,008	**---**	52	**18**	33
Sub-total	**2,052**	1,920	**3,536**	3,520	**224**	242
Amounts Capitalized and Deferred	**(673)**	(651)	**(1,448)**	(1,506)	**---**	---
Net Periodic Benefit Cost Recognized	**$ 1,379**	$ 1,269	**$ 2,088**	$ 2,014	**$ 224**	$ 242

Employer Contributions

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. Included in the PPA are new minimum funding rules which will go into effect for plan years beginning in 2008. The funding target will be 100% of a plan's liability with any shortfall amortized over seven years, with lower (92% - 100%) funding targets available to well-funded plans during the transition period. As of September 30, 2008, the Company has funded $2.8 million to fund its Pension Plan in 2008 and does not anticipate making additional contributions in 2008.

As of September 30, 2008, the Company had made $1.6 million and $46,000 of contributions to the PBOP and SERP Plans, respectively, in 2008. The Company presently anticipates contributing an additional $1.1 million and $13,000 to the PBOP and SERP Plans, respectively, in 2008.

NOTE 9: INCOME TAXES

The Company bills its customers sales tax in Massachusetts and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2007, and at each interim reporting date in the period ended September 30, 2008 in accordance with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by FIN 48 is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2005; December 31, 2006; and December 31, 2007. Income tax filings for the year ended December 31, 2007 have been filed with the Internal Revenue Service. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no interest and penalties recognized in the statement of earnings or accrued on the balance sheets.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the “Interest Rate Risk” and “Market Risk” sections of Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the Unaudited Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company’s Form 10-K for the year-ended December 31, 2007 as filed with the Securities and Exchange Commission on February 12, 2008, other than the risks associated with the Company’s recently announced acquisition of Northern and Granite and the risks associated with the recent distress in the financial markets, as discussed in the Cautionary Statement section of Part I, Item 2 of this Quarterly Report on Form 10-Q for the quarter ended September 30, 2008.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended September 30, 2008.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), adopted by the Company on March 20, 2008, the Company periodically repurchases shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. The Company may suspend or terminate its Rule 10b5-1 trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws. There is no pool or maximum number of shares related to these purchases. Company repurchases are shown in the table below for the monthly periods noted:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
7/1/08 – 7/31/08	---	---	---	n/a
8/1/08 – 8/31/08		---	---	n/a
9/1/08 – 9/30/08	225	$26.60	225	n/a
Total	225	$26.60	225	n/a

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated October 24, 2008 Announcing Earnings For the Quarter Ended September 30, 2008.	Filed herewith
99.2	Maine Public Utilities Commission Order in Docket No. 2008-155	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL CORPORATION
(Registrant)

Date: October 24, 2008 /s/ Mark H. Collin
Mark H. Collin
Chief Financial Officer

Date: October 24, 2008 /s/ Laurence M. Brock
Laurence M. Brock
Chief Accounting Officer

EXHIBIT 11.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING

(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	**2008**	2007
Net Income	**$ 1.5**	$ 1.6	**$ 6.5**	$ 6.0
Less: Dividend Requirements on Preferred Stock	**---**	---	**0.1**	0.1
Net Income Applicable to Common Stock	**$ 1.5**	$ 1.6	**$ 6.4**	$ 5.9
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**5,745**	5,659	**5,733**	5,643
Dilutive Effect of Stock Options and Restricted Stock (000's)	**3**	9	**5**	16
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**5,748**	5,668	**5,738**	5,659
Earnings Per Share – Basic	**$0.27**	$0.28	**$1.12**	$1.04
Earnings Per Share – Diluted	**$0.27**	$0.28	**$1.12**	$1.04

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 24, 2008

/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 24, 2008

/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 24, 2008

/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	October 24, 2008
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	October 24, 2008
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	October 24, 2008

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended March 31, 2009

Commission File Number 1-8858

UNITIL CORPORATION

(Exact name of registrant as specified in its charter)

New Hampshire	**02-0381573**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
6 Liberty Lane West, Hampton, New Hampshire	**03842-1720**
(Address of principal executive office)	*(Zip Code)*

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes_X__ No___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes _ No _

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer___ Accelerated filer__X__

Non-accelerated filer___ (Do not check if a smaller reporting company) Smaller reporting company___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes___ No_X___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 27, 2009
Common Stock, No par value	8,106,967 Shares

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended March 31, 2009

Table of Contents

PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company headquartered in Hampton, New Hampshire. Unitil is subject to regulation as a holding company system by the Federal Energy Regulatory Commission (the "FERC") under the Energy Policy Act of 2005.

Unitil's principal business is the local distribution of electricity and natural gas throughout its service territory in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly owned distribution utilities: (i) Unitil Energy Systems, Inc. (Unitil Energy), which provides electric service in the southeastern seacoast and state capital regions of New Hampshire, including the city of Concord, New Hampshire; (ii) Fitchburg Gas and Electric Light Company (Fitchburg), which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and (iii) Northern Utilities, Inc. (Northern Utilities), which provides natural gas service in southeastern New Hampshire, including the city of Portsmouth, and portions of southern and central Maine, including the city of Portland. In addition, Unitil is the parent company of Granite State Gas Transmission, Inc. (Granite State), an interstate natural gas transmission pipeline company that principally provides interstate natural gas pipeline access and transportation services to Northern Utilities in its New Hampshire and Maine service territory.

The Company's distribution utilities serve approximately 100,300 electric customers and 69,300 natural gas customers in their service territory. The Company's distribution utilities are local "pipes and wires" operating companies and, combined with Granite State, had an investment in Net Utility Plant of $428.5 million at March 31, 2009. The Company does not own or operate electric generating facilities or major transmission facilities and substantially all of the Company's utility assets are dedicated to the local delivery of electricity and natural gas to its customers. Substantially all of Unitil's revenue and earnings are derived from regulated utility operations.

Unitil's business strategy is to be a leader in the reliable and cost effective management of a growing level of local electric and natural gas distribution assets. The Company's growth initiatives include evaluation of organic growth opportunities as well as strategic acquisitions. As part of this growth strategy, on December 1, 2008, Unitil purchased (i) all of the outstanding capital stock of Northern Utilities from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite State from NiSource Inc. (NiSource) pursuant to the Stock Purchase Agreement dated as of February 15, 2008 by and among NiSource, Bay State and Unitil (the "Acquisitions"). Bay State is a wholly owned subsidiary of NiSource. The aggregate purchase price for the Acquisitions was $160 million in cash, plus an additional working capital adjustment of $49.2 million, including approximately $30.0 million of natural gas storage inventory. To finance the Acquisitions and recapitalize Northern Utilities and Granite State, the Company issued additional equity and debt.

A fifth wholly owned subsidiary, Unitil Power Corp. (Unitil Power), formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of substantially all of its long-term power supply contracts through the sale of the entitlements to the electricity associated with those contracts.

The Company also has three other wholly owned subsidiaries: Unitil Service Corp. (Unitil Service); Unitil Realty Corp. (Unitil Realty); and Unitil Resources, Inc. (Unitil Resources). Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and energy supply management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire. Unitil Resources is the Company's wholly owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, "Usource") are indirect subsidiaries that are wholly owned by Unitil Resources. Usource provides energy brokering and advisory services to large commercial and industrial customers in the northeastern United States.

RATES AND REGULATION

Unitil is subject to comprehensive regulation by federal and state regulatory authorities. Unitil and its subsidiaries are subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005 in regards to certain bookkeeping, accounting and reporting requirements. Unitil's utility operations related to wholesale and interstate energy business activities are also regulated by FERC. Unitil's distribution utilities are subject to regulation by the applicable state public utility commissions, in regards to their rates, issuance of securities and other accounting and operational matters: Unitil Energy is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC); Fitchburg is subject to regulation by the Massachusetts Department of Public Utilities (MDPU); and Northern Utilities is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's distribution utilities deliver electricity and/or natural gas to all customers in their service territory, at rates established under traditional cost of service regulation. Under this regulatory structure, Unitil's distribution utilities recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. As a result of a restructuring of the utility industry in New Hampshire, Massachusetts and Maine, Unitil's customers have the opportunity to purchase their electricity or natural gas supplies from third party suppliers. A majority of Unitil's largest commercial and industrial (C&I) customers purchase their electric and natural gas supplies from third party suppliers. However, most residential and small customers continue to purchase their electric and natural gas supplies through Unitil's distribution utilities. Unitil's distribution utilities purchase electricity or natural gas from unaffiliated wholesale suppliers and recover the actual costs of these supplies on a pass-through basis, as well as certain costs associated with industry restructuring, through reconciling rate mechanisms that are periodically adjusted.

The regulatory process in both New Hampshire and Maine, in connection with those states' approvals of the Acquisitions, included the negotiation and filing of settlement agreements reflecting commitments by Unitil with respect to Northern Utilities' rates, customer service and operations. The settlement agreements were separately negotiated and filed in each state but reflect a number of common features. For additional discussion, please refer to Unitil's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 18, 2009.

CAUTIONARY STATEMENT

This report and the documents the Company incorporates by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's and its management's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include those described in Part II, Item 1A (Risk Factors) and the following:

- The Company's ability to integrate the business, operations and personnel of Northern Utilities and Granite State and to achieve the estimated potential synergy savings attributable to the Acquisitions;
- The Company's ability to retain existing customers and gain new customers;
- Variations in weather;
- Major storms;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;

- General economic conditions, including recent distress in the financial markets that has had an adverse impact on the availability of credit and liquidity resources generally and could jeopardize certain of the Company's counterparty obligations, including those of Unitil's insurers and financial institutions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' performance under multi-year energy brokering contracts.

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended March 31, 2009 and March 31, 2008 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Part I, Item 1 of this report.

As a result of the acquisitions of Northern Utilities and Granite State on December 1, 2008, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company expects that consolidated results of operations in future reporting periods will reflect to a greater degree the seasonal nature of natural gas sales. Specifically, the Company expects consolidated results of operations will be positively affected during the first and fourth quarters, and negatively affected during the second and third quarters of future reporting years.

Earnings Overview

The Company's Earnings Applicable to Common Shareholders was $9.1 million for the first quarter of 2009, an increase of $5.8 million over 2008 first quarter earnings of $3.3 million. Earnings per common share (EPS) were $1.14 for the three months ended March 31, 2009, an improvement of $0.57 per share over the first quarter of 2008. Earnings in the first quarter of 2009 reflect the acquisition, on December 1, 2008, of Northern Utilities and Granite State.

Natural gas sales margin increased $18.1 million in the three months ended March 31, 2009 compared to the same period in 2008. This increase primarily reflects the contribution by Northern Utilities, the Company's recently acquired local gas distribution utility. Excluding the contribution to sales by Northern Utilities, total therm sales of natural gas increased 6.0% in the three months ended March 31, 2009 compared to the same period in 2008, reflecting increases of 6.3% and 5.9% in sales to residential and C&I customers, respectively. Sales in the first three months of 2009 reflect a colder winter heating season this year and increased usage of natural gas by C&I customers for production operations. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

Electric sales margin increased $1.3 million in the three months ended March 31, 2009 compared to the same period in 2008, reflecting higher electric base rates in the current quarter, partially offset by lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 4.7% in the three months ended March 31, 2009 compared to the same period in 2008 driven by lower average usage per customer reflecting the continued economic slowdown and energy conservation.

Total Operation & Maintenance (O&M) expenses increased $5.7 million in the three months ended March 31, 2009 compared to the same period in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $2.1 million of the increase. In addition, higher year over year compensation and employee benefit expenses of $0.7 million and higher utility operating costs of $0.4 million, partially offset by lower professional fees of $0.3 million, contributed to the increase in O&M expenses. The increase in O&M expenses also reflects higher insurance costs in 2009 compared to 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Depreciation, Amortization, Taxes and Other expenses increased $5.8 million in the three months ended March 31, 2009 compared to the same period in 2008. The increase primarily reflects the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs.

Interest Expense, Net increased $2.2 million in the three months ended March 31, 2009 compared to the same period in 2008. The addition of Northern Utilities and Granite State accounted for $1.7 million of the increase, reflecting the issuance of long-term notes by Northern Utilities and Granite State in December 2008. In addition to this increase in Interest Expense, Net reflects higher average borrowings in the current quarter.

Usource, our non-regulated energy brokering business, recorded revenues of $1.1 million in the first quarter of 2009, an increase of $0.1 million over the first quarter of 2008. Usource's revenues are primarily derived from fees and charges billed to suppliers as customers take delivery of energy from these suppliers under term contracts brokered by Usource.

On December 11 and 12, 2008, a severe ice storm struck the New England region, creating extended power outages for many residents of Massachusetts and New Hampshire, including Unitil's electric customers in New Hampshire and the greater Fitchburg, Massachusetts service territory. Based on its preliminary assessment, the Company has accrued and deferred, excluding capital construction expenditures, approximately $10 million in costs for the repair and replacement of electric distribution systems damaged during the storm. The amount and timing of the cost recovery of these storm restoration expenditures will be determined in future regulatory proceedings. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations.

In December 2008, the Company issued and sold 2,000,000 shares of its common stock at a price of $20.00 per share in a registered public offering. In January 2009, the underwriters exercised the over-allotment option associated with this offering and purchased an additional 270,000 shares of the Company's common stock. The Company used net proceeds of $41.9 million from these issuances to repay a portion of the bank financing for the Company's acquisitions of Northern Utilities and Granite State and to repay other short-term indebtedness. Overall, the positive results of operations and net income are reflected over a higher number of average shares outstanding year over year.

In 2008, Unitil's annual common dividend was $1.38, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock. At its January, 2009 and March, 2009 meetings, the Unitil Board of Directors declared quarterly dividends on the Company's common stock of $0.345 per share.

A more detailed discussion of the Company's results of operations for the three months ended March 31, 2009 and a period-to-period comparison of changes in financial position are presented below.

Balance Sheet

The Company's Total Assets increased by $255.6 million as of March 31, 2009 compared to March 31, 2008. The increase in Total Assets was primarily due to the inclusion of the acquisitions of Northern Utilities and Granite State and to capital expenditures related to Unitil Energy's and Fitchburg's electric and gas distribution systems. The Company's Total Capitalization increased by $138.0 million as of March 31, 2009 compared to March 31, 2008 reflecting the issuance of common shares by the Company as part of its financing of the acquisitions of Northern Utilities and Granite State (See Note 3 to the accompanying Consolidated Financial Statements) and the issuance and sale of Senior Unsecured Notes by Northern Utilities and Granite State (See Note 4 to the accompanying Consolidated Financial Statements). The Company's Total Liabilities increased $117.6 million primarily due to the acquisitions of Northern Utilities and Granite State.

Gas Sales, Revenues and Margin

Therm Sales – Overall, Unitil's total therm sales of natural gas increased in the three months ended March 31, 2009 compared to the same period in 2008. This increase primarily reflects the contribution of sales by Northern

Utilities. Excluding the contribution to sales by Northern Utilities, total therm sales of natural gas increased 6.0% in the three months ended March 31, 2009 compared to the same period in 2008, reflecting increases of 6.3% and 5.9% in sales to residential and C&I customers, respectively. The higher sales in the first three months of 2009 reflect a colder winter heating season this year and increased usage of natural gas by C&I customers for production operations. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

The following table details total firm therm sales for the three months ended March 31, 2009 and 2008, by major customer class:

Therm Sales (millions) (a)

	Three Months Ended March 31,			
	2009	2008	Change	% Change
Residential	**19.3**	4.8	14.5	302.1%
Commercial/Industrial	**58.1**	6.8	51.3	754.4%
Total	**77.4**	11.6	65.8	567.2%

(a) 2009 Therm Sales include Northern Utilities, acquired on December 1, 2008.

Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three months ended March 31, 2009 and 2008:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2009	2008	$ Change	% Change[(1)]
Gas Operating Revenue:				
Residential	**$ 30.4**	$ 8.0	$ 22.4	156.6%
Commercial / Industrial	**42.0**	6.3	35.7	249.7%
Total Gas Operating Revenue	**$ 72.4**	$ 14.3	$ 58.1	406.3%
Cost of Gas Sales:				
Purchased Gas	**$ 48.4**	$ 9.0	$ 39.4	275.5%
Conservation & Load Management	**0.6**	---	0.6	4.2%
Gas Sales Margin	**$ 23.4**	$ 5.3	$ 18.1	126.6%

(1) Represents change as a percent of Total Gas Operating Revenue.

Total Gas Operating Revenues increased $58.1 million in the three months ended March 31, 2009 compared to the same period in 2008. This increase primarily reflects the natural gas sales for Northern Utilities. In addition to the contribution from Northern Utilities, the increase in gas operating revenues reflects a 6.0% increase in natural gas sales. Total Gas Operating Revenues include the recovery of the cost of sales, which are recorded as Purchased Gas and Conservation & Load Management (C&LM) in Operating Expenses. The increase in Total Gas Operating Revenues in the first quarter of 2009 reflects higher Purchased Gas costs of $39.4 million, higher C&LM revenues of $0.6 million and higher gas sales margin of $18.1 million.

The Purchased Gas and C&LM component of Gas Operating Revenues increased $40.0 million in the three months ended March 31, 2009 compared to the same period in 2008. This increase primarily reflects the natural gas sales for Northern Utilities. In addition to the contribution from Northern Utilities, the increase reflects the higher sales of natural gas, discussed above. Purchased Gas revenues include the recovery of the cost of gas supply as well as other energy supply related costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Natural gas sales margin increased $18.1 million in the three months ended March 31, 2009 compared to the same period in 2008. This increase was driven by the higher sales of natural gas, discussed above.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – In the first quarter of 2009, Unitil's total electric kWh sales decreased 4.7% compared to the first quarter of 2008. Sales to residential and C&I customers decreased 1.0% and 7.3%, respectively, in the first quarter of 2009 compared to the same period in 2008. The lower kWh sales in 2009 compared to 2008 were primarily driven by lower average usage by the Company's customers reflecting the continued economic slowdown and energy conservation.

The following table details total kWh sales for the three months ended March 31, 2009 and 2008 by major customer class:

kWh Sales (millions)

	Three Months Ended March 31,			
	2009	2008	Change	% Change
Residential	**180.6**	182.4	(1.8)	(1.0%)
Commercial/Industrial	**242.1**	261.1	(19.0)	(7.3%)
Total	**422.7**	443.5	(20.8)	(4.7%)

Electric Operating Revenues and Sales Margin - The following table details total Electric Operating Revenues and Sales Margin for the three months ended March 31, 2009 and 2008:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2009	2008	$ Change	% Change(1)
Electric Operating Revenue:				
Residential	**$ 33.2**	$ 30.3	$ 2.9	5.1%
Commercial / Industrial	**28.9**	26.3	2.6	4.6%
Total Electric Operating Revenue	**$ 62.1**	$ 56.6	$ 5.5	9.7%
Cost of Electric Sales:				
Purchased Electricity	**$ 47.2**	$ 42.9	$ 4.3	7.6%
Conservation & Load Management	**0.5**	0.6	(0.1)	(0.2%)
Electric Sales Margin	**$ 14.4**	$ 13.1	$ 1.3	2.3%

(1) Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenues increased by $5.5 million, or 9.7%, in the three months ended March 31, 2009 compared to the same period in 2008. Total Electric Operating Revenues include the recovery of costs of electric sales, which are recorded as Purchased Electricity and C&LM in Operating Expenses. The increase in Total Electric Operating Revenues in the three months ended March 31, 2009 reflects higher Purchased Electricity costs of $4.3 million and higher electric sales margin of $1.3 million, partially offset by lower C&LM revenues of $0.1 million.

The Purchased Electricity and C&LM component of Total Electric Operating Revenues increased a combined $4.2 million, or 7.4%, in the three months ended March 31, 2009 compared to the same period in 2008, reflecting higher electric commodity prices, partially offset by lower electric kWh sales. Purchased Electricity revenues include the recovery of the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin increased $1.3 million in the three months ended March 31, 2009 compared to the same period in 2008, reflecting higher electric base rates in the current quarter, partially offset by lower sales volumes. Lower sales reflect lower average usage by the Company's customers reflecting the continued economic slowdown and energy conservation.

Operating Revenue - Other

The following table details total Other Operating Revenue for the three months ended March 31, 2009 and 2008:

Other Operating Revenue (Millions)

	Three Months Ended March 31,			
	2009	2008	$ Change	% Change
Other	**$ 1.1**	$ 1.0	$ 0.1	10.0%
Total Other Operating Revenue	**$ 1.1**	$ 1.0	$ 0.1	10.0%

Total Other Operating Revenue increased $0.1 million, or 10.0%, in the three month period ended March 31, 2009 compared to the same period in 2008. The increase was the result of growth in revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

Purchased Gas – Purchased Gas includes the cost of natural gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas increased $39.4 million in the three month period ended March 31, 2009 compared to the same period in 2008. This increase primarily reflects the natural gas supply purchases for Northern Utilities, which were not included in the prior year period. In addition to the natural gas supply purchases for Northern Utilities, the increase in Purchased Gas reflects increased gas supply costs related to the higher sales of natural gas, discussed above which were driven by a colder winter heating season this year and increased usage of natural gas in C&I customers' production operations. The Company recovers the costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect Net Income.

Purchased Electricity – Purchased Electricity includes the cost of electric supply as well as other energy supply related restructuring costs, including power supply buyout costs. Purchased Electricity increased $4.3 million, or 10.0%, in the three month period ended March 31, 2009 compared to the same period in 2008, reflecting higher electric commodity prices and a decrease in the amount of electricity purchased by customers directly from third-party suppliers, partially offset by lower electric kWh sales. The Company recovers the costs of Purchased Electricity in its rates at cost and therefore changes in these expenses do not affect earnings.

Operation and Maintenance (O&M) - O&M expense includes electric and gas utility operating costs, and the operating costs of the Company's non-regulated business activities. Total O&M expenses increased $5.7 million in the three months ended March 31, 2009 compared to the same period in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $2.1 million of the increase. In addition, higher year over year compensation and employee benefit expenses of $0.7 million and higher utility operating costs of $0.4 million, partially offset by lower professional fees of $0.3 million, contributed to the increase in O&M expenses. The increase in O&M expenses also reflects higher insurance costs in 2009 compared to 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Conservation & Load Management – Conservation and Load Management expenses are expenses associated with the development, management, and delivery of the Company's energy efficiency programs. Energy efficiency programs are designed, in conformity to state regulatory requirements, to help consumers use natural gas and electricity more efficiently and thereby decrease their energy costs. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 90% of these costs are related to electric operations and 10% to gas operations.

Total Conservation & Load Management expenses increased by $0.5 million in the three months ended March 31, 2009 compared to the same period in 2008. These costs are collected from customers on a fully reconciling basis and therefore, fluctuations in program costs do not affect earnings.

Depreciation, Amortization and Taxes

Depreciation and Amortization - Depreciation and Amortization expense increased $1.1 million, or 21.2%, in the three months ended March 31, 2009 compared to the same period in 2008. The increase primarily reflects the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs.

Local Property and Other Taxes - Local Property and Other Taxes increased by $1.3 million, or 76.5%, in the three months ended March 31, 2009 compared to the same period in 2008. The increase primarily reflects the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher local property tax rates on higher levels of utility plant in service and higher payroll taxes on higher compensation expenses.

Federal and State Income Taxes - Federal and State Income Taxes were higher by $3.5 million for the three months ended March 31, 2009 compared to the same period in 2008 reflecting higher pre-tax earnings in the current quarter.

Other Non-Operating Expense

Other Non-operating Expenses decreased by $0.1 million in the three month period ended March 31, 2009 compared to the same period in 2008. This change reflects an adjustment of $0.1 million recorded in the first quarter of 2008 in conjunction with the Company's approved electric base distribution rate increase in Massachusetts.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. Certain reconciling rate mechanisms used by the Company's distribution utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

Unitil's utility subsidiaries operate a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the distribution utilities' rate tariffs, interest is accrued on these balances and will produce either interest income or interest expense. Interest income is recorded on an under-collection of costs, which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

Interest Expense, Net (millions)	**Three Months Ended March 31,**		
	2009	2008	Change
Interest Expense			
Long-term Debt	**$ 4.6**	$ 2.9	$ 1.7
Short-term Debt	**1.1**	0.3	0.8
Regulatory Liabilities	**---**	---	---
Subtotal Interest Expense	**5.7**	3.2	2.5
Interest (Income)			
Regulatory Assets	**(0.7)**	(0.6)	(0.1)
AFUDC and Other	**(0.2)**	---	(0.2)
Subtotal Interest (Income)	**(0.9)**	(0.6)	(0.3)
Total Interest Expense, Net	**$ 4.8**	$ 2.6	$ 2.2

Interest Expense, Net increased $2.2 million in the three months ended March 31, 2009 compared to the same period in 2008. The addition of Northern Utilities and Granite State accounted for $1.7 million of the increase, reflecting the issuance of long-term notes by Northern Utilities and Granite State in December 2008. In addition to this increase in Interest Expense, Net reflects higher average borrowings in the current quarter.

On December 3, 2008, Northern Utilities completed the sale of $80 million of Senior Unsecured Notes, through a private placement to institutional investors. The debt financing included $50 million of 30-year notes with a coupon rate of 7.72% and $30 million of 10-year notes with a coupon rate of 6.95%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Northern Utilities.

On December 15, 2008, Granite State completed the sale of $10 million of Senior Unsecured Notes, through a private placement to institutional investors. The Notes have a term of 10 years maturity and a coupon rate of 7.15%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Granite State.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities. The Company initially supplements internally generated funds through bank borrowings, as needed, under unsecured short-term bank credit facilities. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets. The Company's utility operations are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

At March 31, 2009, Unitil had $39.1 million outstanding under a bank financing facility utilized in connection with the financing of the acquisition of Northern Utilities and Granite State on December 1, 2008. The Company expects to repay the outstanding balance under this facility prior to its maturity date of November 1, 2009 by issuing additional equity or debt.

In addition, at March 31, 2009, the Company had $48.6 million in short-term debt outstanding through bank borrowings under its revolving credit agreement (excluding amounts borrowed under the bank financing facility discussed above). The revolving credit agreement contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of March 31, 2009, the Company was in compliance with financial covenants contained in the revolving credit agreement.

The Company provides limited guarantees on certain energy and natural gas storage management contracts entered into by the distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of March 31, 2009, there were approximately $27.1 million of guarantees outstanding and these guarantees extend through December 31, 2010.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of March 31, 2009, the principal amount outstanding for the 8% Unitil Realty notes was $4.6 million, and the principal amount outstanding for the 7.15% Granite State notes was $10.0 million. The guarantee related to the Granite State notes will terminate if Granite State reorganizes and merges with and into Northern Utilities.

Off-Balance Sheet Arrangements

The Company and its subsidiaries do not currently use, and are not dependent on the use of, off-balance sheet financing arrangements such as securitization of receivables or obtaining access to assets or cash through special purpose entities or variable interest entities. Unitil's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their vehicles, machinery and office equipment under both capital and operating lease arrangements.

Cash Flows

On December 1, 2008, the Company acquired Northern Utilities and Granite State. Cash flow results for the first quarter of 2009 include the activity for the acquired companies. Unitil's utility operations, taken as a whole, are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows. The tables below summarize the major sources and uses of cash (in millions) for the three months ended March 31, 2009 compared to the same period in 2008.

	Three Months Ended March 31,	
	2009	**2008**
Cash Provided by Operating Activities	$ **5.0**	$ 7.9

Cash Provided by Operating Activities - Cash Provided by Operating Activities was $5.0 million during the three months ended March 31, 2009, a decrease of $2.9 million over the comparable period in 2008. Cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes increased by $5.3 million, and uses of cash for working capital increased $4.7 million, while all other sources and uses of cash from Operating Activities resulted in net use of cash of $3.5 million in the first three months of 2009 compared to 2008.

	Three Months Ended March 31,	
	2009	**2008**
Cash (Used in) Investing Activities	$ **(18.0)**	$ (4.5)

Cash (Used in) Investing Activities - Cash (Used in) Investing Activities was $18.0 million for the three months ended March 31, 2009, an increase in capital spending of $13.5 million over the comparable period in 2008. Of this amount, $9.9 million is related to expenditures for the December 2008 ice storm, and $2.5 million is related to capital expenditures for Northern Utilities.

	Three Months Ended March 31,	
	2009	**2008**
Cash Provided by (Used in) Financing Activities	$ **16.0**	$ (4.0)

Cash Provided by (Used in) Financing Activities - Cash (Used in) Financing Activities was $16.0 million in the three months ended March 31, 2009. Proceeds from the issuance of Common Stock of $5.4 million reflect the exercise of an over-allotment option by underwriters to purchase additional shares related to the Company's December 2008 public offering. Additional short-term borrowings provided $13.6 million for a total of $19.0 million of cash in the first three months of 2009. Uses of cash of $3.0 million primarily reflect Unitil's regular quarterly dividend payments on Common and Preferred Stock, and the scheduled repayment of long-term debt.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, the Company is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgment, the financial position of the Company could be materially affected and the results of operations of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 18, 2009.

Regulatory Accounting - The Company's principal business is the distribution of electricity and natural gas by the three distribution utilities: Unitil Energy, Fitchburg and Northern Utilities. Unitil Energy is regulated by the FERC and the NHPUC. Fitchburg is regulated by the FERC and the MDPU. Northern Utilities is regulated by the MPUC and NHPUC. Granite State, the Company's natural gas transmission pipeline, is regulated by the FERC. Accordingly, the Company uses the provisions of FASB Statement No. 71, "Accounting for the Effects of Certain Types of Regulation." (SFAS No. 71). In accordance with SFAS No. 71, the Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

Regulatory Assets consist of the following (millions)	March 31, 2009	March 31, 2008	December 31, 2008
Energy Supply Contract Obligations	**$ 47.7**	$ 67.7	$ 52.7
Deferred Restructuring Costs	**28.2**	29.6	28.3
Generation-related Assets	**0.6**	1.4	0.8
Subtotal – Restructuring Related Items	**76.5**	98.7	81.8
Retirement Benefit Obligations	**45.3**	35.1	45.5
Income Taxes	**15.6**	14.2	16.0
Environmental Obligations	**20.9**	10.9	19.7
Other	**12.0**	3.1	10.1
Total Regulatory Assets	**$ 170.3**	$ 162.0	$ 73.1
Less: Current Portion of Regulatory Assets(1)	**26.7**	22.8	26.9
Regulatory Assets - noncurrent	**$ 143.6**	$ 139.2	$ 146.2

(1) Reflects amounts included in Accrued Revenue on the Company's Consolidated Balance Sheets.

The Company receives a return on investment on its regulated assets for which a cash outflow has been made. Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated distribution and transmission utilities will recover their investments in long-lived assets, including regulatory assets. If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of SFAS No. 71. If unable to continue to apply the provisions of SFAS No. 71, the Company would be required to apply the provisions of FASB Statement No. 101, "Regulated Enterprises – Accounting for the Discontinuation of Application of Financial Accounting Standards Board Statement No. 71." In the Company's opinion, its regulated operations will be subject to SFAS No. 71 for the foreseeable future.

Utility Revenue Recognition - Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. However, the determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts - The Company recognizes a provision for doubtful accounts each month based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. At the end of each month, an analysis of the delinquent receivables is performed which takes into account an assumption about the cash recovery of delinquent receivables. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company's distribution utilities are authorized by regulators to recover the costs of their energy commodity portion of bad debts through rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

Retirement Benefit Obligations - The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", (SFAS No. 158), an amendment of SFAS No. 87, "Employers' Accounting for Pensions", SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," SFAS No. 106, "Employers' Accounting for Postretirement Benefits other than Pensions" and SFAS No. 132(R), "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS No. 158 requires companies to record on their balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs.

The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO. If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2008 and 2007, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $200,000 in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2008 and 2007, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $675,000 and $690,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $531,000 and $539,000, respectively. (See Note 8 to the accompanying Consolidated Financial Statements).

Income Taxes – Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets. The Company accounts for income tax assets, liabilities and expenses in accordance with FASB Statement No. 109, "Accounting for Income Taxes" (SFAS No. 109) and under FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109.

Depreciation - Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies - The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with SFAS No. 5. SFAS No. 5 applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of March 31, 2009, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to "Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

As of March 31, 2009, 149 of the Company's employees were represented by labor unions. These employees are covered by collective bargaining agreements. Two of these agreements expired on March 31, 2009, and these agreements were successfully renegotiated, with a new combined agreement that will expire on March 31, 2012. Two agreements expire on May 31, 2010, and one agreement expires on June 5, 2010. The agreements provide discreet salary adjustments, established work practices and uniform benefit packages. The Company expects to successfully negotiate new agreements prior to their expiration dates.

INTEREST RATE RISK

As discussed above, Unitil meets its external financing needs by issuing short-term and long-term debt. The majority of debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new issuances of long-term debt securities. In addition, short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease interest expense in future periods. For example, if the average amount of short-term debt outstanding was $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000. The average interest rates on the Company's short-term borrowings for the three months ended March 31, 2009 and March 31, 2008 were 4.78% and 3.84%, respectively.

MARKET RISK

Although Unitil's three distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions, except common shares and per share data)
(UNAUDITED)

	Three Months Ended March 31, 2009	2008
Operating Revenues		
Gas	**$ 72.4**	$ 14.3
Electric	**62.1**	56.6
Other	**1.1**	1.0
Total Operating Revenues	**135.6**	71.9
Operating Expenses		
Purchased Gas	**48.4**	9.0
Purchased Electricity	**47.2**	42.9
Operation and Maintenance	**10.4**	4.7
Conservation & Load Management	**1.1**	0.6
Depreciation and Amortization	**6.3**	5.2
Provisions for Taxes:		
Local Property and Other	**3.0**	1.7
Federal and State Income	**5.3**	1.8
Total Operating Expenses	**121.7**	65.9
Operating Income	**13.9**	6.0
Other Non-Operating Expense (Income)	**---**	0.1
Income Before Interest Expense	**13.9**	5.9
Interest Expense, Net	**4.8**	2.6
Net Income	**9.1**	3.3
Less: Dividends on Preferred Stock	**---**	---
Earnings Applicable to Common Shareholders	**$ 9.1**	$ 3.3
Average Common Shares Outstanding – Basic (000's)	**8,018**	5,719
Average Common Shares Outstanding – Diluted (000's)	**8,018**	5,724
Earnings Per Common Share (Basic and Diluted)	**$ 1.14**	$ 0.57
Dividends Declared Per Share of Common Stock	**$ 0.69**	$ 0.69

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)

	(UNAUDITED) March 31, 2009	(UNAUDITED) March 31, 2008	December 31, 2008
ASSETS:			
Utility Plant:			
Electric	**$ 297.2**	$ 271.3	$ 289.0
Gas	**309.1**	69.2	304.2
Common	**30.4**	27.2	30.5
Construction Work in Progress	**10.4**	4.9	17.7
Total Utility Plant	**647.1**	372.6	641.4
Less: Accumulated Depreciation	**218.6**	123.2	218.6
Net Utility Plant	**428.5**	249.4	422.8
Current Assets:			
Cash	**14.5**	4.0	11.5
Accounts Receivable – Net of Allowance for Doubtful Accounts of $3.7, $1.4 and $3.0	**51.9**	28.9	39.7
Accrued Revenue	**50.0**	38.1	58.9
Gas Inventory	**8.7**	0.6	31.6
Materials and Supplies	**3.1**	1.9	2.7
Prepayments and Other	**2.9**	1.8	5.9
Total Current Assets	**131.1**	75.3	150.3
Noncurrent Assets:			
Regulatory Assets	**143.6**	139.2	146.2
Other Noncurrent Assets	**23.0**	6.7	15.9
Total Noncurrent Assets	**166.6**	145.9	162.1
TOTAL	**$ 726.2**	$ 470.6	$ 735.2

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) March 31, 2009	(UNAUDITED) March 31, 2008	December 31, 2008
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 148.5**	$ 100.0	$ 139.5
Preferred Stock	**2.0**	2.1	2.0
Long-Term Debt, Less Current Portion	**249.2**	159.6	249.3
Total Capitalization	**399.7**	261.7	390.8
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.4	0.4
Accounts Payable	**29.9**	15.6	36.3
Short-Term Debt	**87.7**	16.7	74.1
Energy Supply Contract Obligations	**21.6**	20.0	42.0
Other Current Liabilities	**36.4**	13.2	35.8
Total Current Liabilities	**176.0**	65.9	188.6
Deferred Income Taxes	**29.1**	31.9	31.1
Noncurrent Liabilities:			
Energy Supply Contract Obligations	**31.2**	47.7	34.6
Retirement Benefit Obligations	**69.7**	49.6	67.4
Environmental Obligations	**11.4**	12.0	12.3
Other Noncurrent Liabilities	**9.1**	1.8	10.4
Total Noncurrent Liabilities	**121.4**	111.1	124.7
TOTAL	**$ 726.2**	$ 470.6	$ 735.2

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Three Months Ended March 31, 2009	2008
Operating Activities:		
Net Income	**$ 9.1**	$ 3.3
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	**6.3**	5.2
Deferred Taxes Provision	**(1.8)**	(0.2)
Changes in Current Assets and Liabilities:		
Accounts Receivable	**(12.2)**	(4.0)
Accrued Revenue	**9.4**	(1.3)
Accounts Payable	**(6.4)**	(2.0)
All other Current Assets and Liabilities	**2.5**	5.3
Other, net	**(1.9)**	1.6
Cash Provided by Operating Activities	**5.0**	7.9
Investing Activities:		
Property, Plant and Equipment Additions	**(18.0)**	(4.5)
Cash (Used in) Investing Activities	**(18.0)**	(4.5)
Financing Activities:		
Proceeds from (Repayment of) Short-Term Debt	**13.6**	(2.1)
Dividends Paid	**(2.8)**	(2.0)
Proceeds from Issuance of Common Stock, net	**5.4**	0.2
Other, net	**(0.2)**	(0.1)
Cash Provided by (Used in) Financing Activities	**16.0**	(4.0)
Net Increase (Decrease) in Cash	**3.0**	(0.6)
Cash at Beginning of Period	**11.5**	4.6
Cash at End of Period	**$ 14.5**	$ 4.0
Supplemental Cash Flow Information:		
Interest Paid	**$ 2.6**	$ 2.1
Income Taxes Paid	**---**	0.2

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (Unitil Energy), Fitchburg Gas and Electric Light Company (Fitchburg), Northern Utilities, Inc. (Northern Utilities), Granite State Gas Transmission, Inc. (Granite State), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, a natural gas distribution utility serving customers in Maine and New Hampshire, from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite State, an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (NiSource) pursuant to the Stock Purchase Agreement dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil (the “Acquisitions”). The purchase price allocation, as disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 as filed with the Securities and Exchange Commission on February 18, 2009, is preliminary and is subject to change due to several factors, including, but not limited to: (1) changes in the fair values of Northern Utilities’ and Granite State’s current assets and liabilities as of the date of the acquisition; (2) the actual transition and transaction costs incurred; and (3) changes in the Company’s valuation estimates that may be made between now and the time the purchase price allocation is finalized. As of March 31, 2009 there have been no material adjustments to the purchase price allocation.

Unitil’s principal business is the local distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire and the greater Fitchburg area of north central Massachusetts and the local distribution of natural gas in southeastern New Hampshire, portions of southern and central Maine and in the greater Fitchburg area of north central Massachusetts. Unitil has three distribution utility subsidiaries, Unitil Energy, which operates in New Hampshire, Fitchburg, which operates in Massachusetts and Northern Utilities, which operates in New Hampshire and Maine (collectively referred to as the distribution utilities).

Granite State is a natural gas transportation pipeline, operating 87 miles of underground gas transmission pipeline primarily located in Maine, New Hampshire and Massachusetts. Granite State provides Northern Utilities with interconnection to three major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north. Granite State derives its revenues principally from the transportation services provided to Northern Utilities and, to a lesser extent, third -party marketers.

A fifth utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve Unitil Energy’s customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service; Unitil Realty; and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology, energy management and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company’s corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company’s wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three months ended March 31, 2009 are not necessarily indicative of results to be expected for the year ending December 31, 2009. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission (SEC) on February 18, 2008, for a description of the Company's Basis of Presentation.

As discussed above, the Company acquired Northern Utilities and Granite State on December 1, 2008. Accordingly, the operations of Northern Utilities and Granite State are included in the Company's consolidated financial statements from the date of acquisition, including the three month period ended March 31, 2009 but not for the three months ended March 31, 2008. See Note 10.

As a result of the acquisitions of Northern Utilities and Granite State on December 1, 2008, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company expects that consolidated results of operations in future reporting periods will reflect to a greater degree the seasonal nature of natural gas sales by the acquired operating utilities. Accordingly, the Company expects that as a result of the acquisitions, consolidated results of operations will be positively affected during the first and fourth quarters, and negatively affected during the second and third quarters of future reporting years.

Derivatives – The Company has a regulatory approved hedging program for Northern Utilities designed to fix a portion of its gas supply costs for the coming year of service. In order to fix these costs, the Company purchases NYMEX futures that correspond to the associated delivery month. Any gains or losses on the fair value of these derivatives are passed through to ratepayers directly through a regulatory commission approved recovery mechanism. As a result of the ratemaking process, the Company records gains and losses as regulatory liabilities or assets and recognizes such gains or losses in Purchased Gas when recovered in revenues. The Company's Consolidated Balance Sheets include derivative liabilities related to net unrealized losses on futures contracts in Other Current Liabilities and Noncurrent Liabilities which are offset in Accrued Revenues on the Company's Consolidated Balance Sheets.

Reclassifications – Based on the Company's analysis certain amounts previously reported have been reclassified to improve the financial statements' presentation and to conform to current year presentation, principally including the reclassification of $22.8 million of Noncurrent Assets to Current Assets and $20.0 million of Noncurrent Liabilities to Current Liabilities related to current collections and obligations of Regulatory Assets and Regulatory Liabilities for 2008.

Recently Issued Pronouncements – On April 9, 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 107-1and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (FSP FAS 107-1). FSP FAS 107-1 amends FASB Statement No. 107, "Disclosures about Fair Value of Financial Instruments" to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. FSG FAS 107-1 also amends Accounting Principles Board Opinion No. 28, "Interim Financial Reporting", to require those disclosures in summarized financial information at interim reporting periods. FSP FAS 107-1 is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The Company does not expect that the adoption of FSP FAS 107-1 will have an impact on the Company's Consolidated Financial Statements.

On December 30, 2008, the FASB issued FASB Staff Position No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets", (FSP FAS 132(R)-1) to provide guidance on an employers' disclosures about plan assets of a defined benefit pension or other postretirement plan. The disclosures about plan assets required by FSP FAS 132(R)-1 are to be provided for fiscal years ending after December 15, 2009. The Company does not expect that the adoption of the deferred sections of FSP FAS 132(R)-1 will have an impact on the Company's Consolidated Financial Statements.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
03/26/09	05/15/09	05/01/09	$ 0.345
01/15/09	02/16/09	02/02/09	$ 0.345
09/25/08	10/31/08	10/17/08	$ 0.345
06/19/08	08/15/08	08/01/08	$ 0.345
03/20/08	05/15/08	05/01/08	$ 0.345
01/17/08	02/15/08	02/01/08	$ 0.345

NOTE 3 – COMMON STOCK AND PREFERRED STOCK

Common Stock

As of August 21, 2008 the Company's common stock began trading on the New York Stock Exchange and ceased trading on the American Stock Exchange. The Company's common stock trades under the symbol, "UTL".

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the authorized shares of the Company's common stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's common stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. The Company had 8,105,540, 5,763,159 and 7,791,617 of common shares outstanding at March 31, 2009, March 31, 2008 and December 31, 2008, respectively.

Unitil Corporation Common Stock Offering – On December 15, 2008, the Company issued and sold 2,000,000 shares of its common stock at a price of $20.00 per share in a registered public offering. The Company repaid $36.8 million outstanding under the bank financing facility for the Company's acquisitions of Northern Utilities and Granite State with the net proceeds from the sale and issuance of its common stock.

As part of this offering, the Company granted the underwriters a 30-day option to purchase up to an additional 300,000 shares to cover any over-allotments. The underwriters exercised their over-allotment option and purchased an additional 270,000 shares of the Company's common stock in January 2009. The Company's net increase to Common Equity and Cash proceeds from the over-allotment sales were approximately $5.1 million (after payment of the underwriting discount, but excluding estimated offering expenses) and were used to repay a portion of the bank financing for the Company's acquisitions of Northern Utilities and Granite State and to repay other short-term indebtedness. The Company recorded the issuance of the 270,000 shares, the sale proceeds and the increase in Common Equity in January 2009.

The Company currently has 1,730,000 shares of its common stock registered on an effective Registration Statement on Form S-3 under the Securities Act of 1933 and available for public offerings. On April 24, 2009, the Company filed a Registration Statement on Form S-3 for 1,270,000 shares of its common stock. As a result, once this Registration Statement is declared effective, the Company will have 3,000,000 shares of its common stock available for future public offerings, including the 1,730,000 shares carried over from the Company's previously filed Registration Statement.

Dividend Reinvestment and Stock Purchase Plan - During the first quarter of 2009, the Company sold 11,663 shares of its Common Stock, at an average price of $20.29 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $237,000 were used to reduce short-term borrowings.

During the first quarter of 2008, the Company sold 7,596 shares of its Common Stock, at an average price of $27.94 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $212,000 were used to reduce short-term borrowings.

Restricted Stock Plan - The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 17, 2009, 32,260 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $661,007. Compensation expense associated with shares issued under the Plan is recognized ratably as the shares vest and was $0.1 million and $0.1 million for the three months ended March 31, 2009 and 2008, respectively. At March 31, 2009, there was approximately $1.5 million of total unrecognized compensation cost related to non-vested shares under the Plan which is expected to be recognized over approximately 3.3 years as the shares vest. During the first quarter of 2009, 12,459 restricted shares vested. As of March 31, 2009 there were 52,019 unvested restricted shares.

Preferred Stock

Details on preferred stock at March 31, 2009, March 31, 2008 and December 31, 2008 are shown below:

(Amounts in Millions)

	March 31,		December 31,
	2009	2008	2008
Preferred Stock			
UES Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	**$ 0.2**	$ 0.2	$ 0.2
FG&E Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	**0.8**	0.9	0.8
8.00% Series, $100 Par Value	**1.0**	1.0	1.0
Total Preferred Stock	**$ 2.0**	$ 2.1	$ 2.0

NOTE 4 – LONG-TERM DEBT, CREDIT ARRANGEMENTS AND GUARANTEES

Long-Term Debt

Details on long-term debt at March 31, 2009, March 31, 2008 and December 31, 2008 are shown below ($ Millions):

	March 31, 2009	March 31, 2008	December 31, 2008
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	$ **20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Northern Utilities Senior Notes:			
6.95% Senior Notes, Series A, Due December 3, 2018	**30.0**	---	30.0
7.72% Senior Notes, Series B, Due December 3, 2038	**50.0**	---	50.0
Granite State Senior Notes:			
7.15% Senior Notes, Due December 15, 2018	**10.0**	---	10.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due Through August 1, 2017	**4.6**	5.0	4.7
Total Long-Term Debt	**249.6**	160.0	249.7
Less: Current Portion	**0.4**	0.4	0.4
Total Long-term Debt, Less Current Portion	**$ 249.2**	$ 159.6	$ 249.3

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at March 31, 2009 is estimated to be approximately $232 million, before considering any costs, including prepayment costs, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

On December 3, 2008, Northern Utilities completed the sale of $80 million of Senior Unsecured Notes, through a private placement to institutional investors. The debt financing included $50 million of 30-year notes with a coupon rate of 7.72% and $30 million of 10-year notes with a coupon rate of 6.95%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Northern Utilities.

On December 15, 2008, Granite State completed the sale of $10 million of Senior Unsecured Notes, through a private placement to institutional investors. The Notes have a term of 10 years maturity and a coupon rate of 7.15%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Granite State.

Credit Arrangements

At March 31, 2009, Unitil had $39.1 million outstanding under a bank financing facility utilized in connection with the financing of the acquisition of Northern Utilities and Granite State on December 1, 2008. The Company expects to repay the outstanding balance under this facility prior to its maturity date of November 1, 2009 by issuing additional equity or debt.

In addition, at March 31, 2009, the Company had $48.6 million in short-term debt outstanding through bank borrowings under its revolving credit agreement (excluding amounts borrowed under the bank financing facility discussed above). The revolving credit agreement also contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of March 31, 2009, the Company was in compliance with financial covenants contained in the revolving credit agreement.

On November 1, 2008, Northern Utilities entered into a gas storage management agreement (the "Agreement") pursuant to which (i) Northern Utilities released certain pipeline and storage capacity to an asset manager from November 1, 2008 through April 30, 2009 and (ii) the asset manager financed inventories associated with the released storage capacity from Northern Utilities contemporaneously with the closing of the Acquisitions. The Agreement requires Northern Utilities to repurchase quantities of natural gas over the course of the 2008/2009 winter heating season at a specified price and any remaining balance of the gas inventory on April 30, 2009 at the same price initially paid by the asset manager. The Agreement provides for the Company to issue a guarantee of payment of $15 million for the term of the agreement. There is $5.0 million and $24.0 million outstanding at March 31, 2009 and December 31, 2008, respectively, related to this Agreement.

Guarantees

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of March 31, 2009 there are $27.1 million of guarantees outstanding and the longest of these guarantees extends through December 31, 2010. Of this amount, $8.1 million is related to Unitil's guarantee of payment for the term of the Northern Utilities' gas storage Agreement discussed above. These guarantees are not required to be recorded under the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others."

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of March 31, 2009, the principal amount outstanding for the 8% Unitil Realty notes was $4.6 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite State notes due 2018. As of March 31, 2009, the principal amount outstanding for the 7.15% Granite State notes was $10.0 million. This guarantee will terminate if Granite State reorganizes and merges with and into Northern Utilities.

NOTE 5 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three months ended March 31, 2009 and March 31, 2008:

Three Months Ended March 31, 2009 (Millions)	Electric	Gas	Other	Non-Regulated	Total
Revenues	**$ 62.1**	**$ 72.4**	**$ ---**	**$ 1.1**	**$ 135.6**
Segment Profit	**1.5**	**7.6**	**(0.4)**	**0.4**	**9.1**
Identifiable Segment Assets	**353.5**	**351.0**	**20.5**	**1.1**	**726.1**
Capital Expenditures	**13.3**	**4.6**	**0.1**	**---**	**18.0**

Three Months Ended March 31, 2008 (Millions)	Electric	Gas	Other	Non-Regulated	Total
Revenues	**$ 56.6**	**$ 14.3**	**$ ---**	**$ 1.0**	**$ 71.9**
Segment Profit (Loss)	**0.5**	**2.8**	**(0.1)**	**0.1**	**3.3**
Identifiable Segment Assets	**331.2**	**111.5**	**26.9**	**1.0**	**470.6**
Capital Expenditures	**4.2**	**0.3**	**---**	**---**	**4.5**

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2008 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 18, 2009.

Legal Proceedings

A putative class action Complaint was filed against Fitchburg on January 7, 2009 in Worcester Superior Court in Worcester, Massachusetts, captioned Bellerman v. Fitchburg Gas and Electric Light Company. On April 1, 2009 an Amended Complaint was filed in Worcester Superior Court and served on Fitchburg. The Amended Complaint seeks an unspecified amount of damages including the cost of temporary housing and alternative fuel sources, emotional and physical pain and suffering and property damages allegedly incurred by customers in connection with the loss of electric service during the ice storm in Fitchburg's service territory in December, 2008. The Amended Complaint includes M.G.L. ch. 93A claims for purported unfair and deceptive trade practices related to the December 2008 Storm. The Company believes the suit is without merit, and will defend itself vigorously.

Regulatory Matters

Unitil Energy – On March 12, 2009, Unitil Energy, with the agreement of Staff of the NHPUC, filed a letter with the NHPUC seeking approval of a change in the date of its annual stranded cost recovery and external delivery reconciliation and rate revision filing to allow for inclusion of updated transmission costs that are effective June of each year. Unitil Energy proposes that its annual filing be submitted no later than 45 days before its proposed effective date of August 1, 2009. This matter remains pending.

On May 14, 2007, the NHPUC issued an order opening an investigation into the merits of instituting appropriate rate mechanisms, such as revenue decoupling, which would have the effect of removing obstacles to, and encouraging investment in, energy efficiency. On January 16, 2009, the NHPUC issued its decision in this matter, concluding that such rate mechanisms should only be implemented on a company-by-company basis in the context of an examination of company specific costs and revenues, service territory, customer mix and rate base investment. On March 23, 2009, the NHPUC denied a Motion for Rehearing of this matter.

Major Ice Storm – On December 11 and 12, 2008, a severe ice storm struck the New England region, causing extensive damage to electric facilities and loss of service to significant numbers of customers of several utilities.

An estimated one million electric customers in the region were affected, including all of Unitil's 28,000 Massachusetts customers, and approximately half of its New Hampshire customers. Unitil was able to restore power to one-third of its Massachusetts customers within three days, 80 percent of its customers by day seven, and the final Massachusetts customers, including those with individual service problems, were restored by day 13, December 24, 2008. On January 7, 2009, the MDPU opened an investigation into the Preparation and Response of the Massachusetts electric distribution companies to the December 12, 2008 Winter Storm. On February 23, 2009, each electric distribution company, including Fitchburg, filed a report detailing its response to the storm and outages, and its service restoration efforts with the MDPU. On March 25, 2009, Fitchburg filed with the MDPU a second report, consisting of a self assessment of the Company's response to the storm, and a set of specific recommendations to improve its ability to respond to such emergencies in the future. Public hearings have been held in each of the electric distribution utilities' service territories in Massachusetts. Evidentiary hearings before the MDPU concerning Fitchburg's storm response are scheduled for mid-May, 2009. Based on its preliminary assessment, the Company has accrued and deferred, excluding capital construction expenditures, approximately $10 million in costs for the repair and replacement of electric distribution systems damaged during the storm. The amount and timing of the cost recovery of these storm restoration expenditures will be determined in future regulatory proceedings. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. This matter remains pending.

Fitchburg – Gas Operations – On March 12, 2009, the MDPU opened an investigation into Fitchburg's gas procurement practices. The purpose of this investigation is to determine: (1) whether Fitchburg has engaged in a purchasing program to mitigate the volatility of gas commodity prices without MDPU approval; and, if so, (2) an appropriate remedy, including whether Fitchburg's ratepayers are entitled to reimbursement for any gas supply costs that are higher than they would have been absent such purchasing program. The Company believes that its gas procurement practices have been and remain in compliance and consistent with all relevant MDPU rules and orders and Massachusetts law, and does not believe that the investigation will have a material adverse impact upon the Company's financial condition or the results of its operations. This matter remains pending.

Fitchburg – Other – On February 11, 2009, the MA Supreme Judicial Court (SJC) issued its decision in the Attorney General's (AG) appeal of the MDPU orders relating to Fitchburg's recovery of bad debt expense. The SJC agreed with the AG that the MDPU was required to hold hearings regarding changes in Fitchburg's tariff and rates, and on that basis vacated the MDPU orders. The Court, however, declined to rule on an appropriate remedy, and remanded the cases back to the MDPU for consideration of that issue. This matter remains pending before the MDPU.

On July 2, 2008, the Governor of Massachusetts signed into law "The Green Communities Act" (the GC Act), an energy policy legislation designed to substantially increase energy efficiency and the development of renewable energy resources in Massachusetts. The GC Act provides for utilities to recover in rates the incremental costs associated with its various mandated programs. Several regulatory proceedings have been initiated to implement various provisions of the GC Act, including provisions for each distribution company to file a proposed plan to establish a smart grid pilot program. On March 31, 2009, pursuant to Section 85 of the GC Act, Fitchburg filed its Smart Grid Pilot Program with the MDPU. Fitchburg's proposal includes a power quality monitoring pilot, a distribution capacitor bank control pilot, and a residential time-of-use, critical peak period, and demand response pilot.

Northern Utilities – Notices of Probable Violation – Beginning in October 2007, the MPUC initiated formal investigations into a number of Notices of Probable Violation (NOPVs) alleging that Northern Utilities had violated various provisions of the federal pipeline safety regulations, as adopted by the MPUC. Northern Utilities, the MPUC Staff and Unitil filed a comprehensive settlement (Settlement), which was approved by the MPUC on November 21, 2008, resolving these matters. Under the Settlement, Northern Utilities will incur total expenditures of approximately $3.8 million for certain safety related improvements for which no rate recovery will be allowed and obligations to be undertaken for Northern Utilities' distribution system to ensure compliance with the relevant state and federal gas safety laws. These compliance costs were accrued by Northern Utilities prior to the acquisition date and the remaining amount on the Company's balance sheet at March 31, 2009 was $2.3 million.

Northern Utilities – New Hampshire 2007/2008 Winter Cost of Gas – On October 31, 2007, the NHPUC issued Order No. 24,798 concerning the 2007/2008 winter cost of gas proceeding for Northern Utilities' New Hampshire division. In that order, the NHPUC noted that Northern Utilities had identified an unusually high level of lost and unaccounted for gas (UAFG), and ordered Northern Utilities to file a detailed report concerning its investigation of this matter. Through its investigation, Northern Utilities determined that the UAFG affected both its New Hampshire and Maine divisions, and that the cause appeared to be incorrect metering at the Maritimes & Northeast (M&NE) / Portland Natural Gas Transmission System's (PNGTS) Newington Gate Station caused by an erroneous meter module change. The metering equipment was operated and maintained by a third party, Spectra Energy, the parent company of M&NE. PNGTS and M&NE share joint ownership of the section of the pipeline connected to Granite State at the Newington Gate Station. The error caused Granite State to be billed for 758,702 Dth of natural gas, with Granite State then billing Northern Utilities for an equivalent amount, although the volumes of gas were not actually consumed. The meter error was corrected and Northern Utilities, Granite State, Spectra Energy and PNGTS reached an agreement whereby PNGTS will provide to Northern Utilities, through Granite State, gas volumes equal to the misread amounts to correct for the error, over a period of approximately 18 months. Both the NHPUC and the MPUC have approved this arrangement, as well as Northern Utilities' methodology for allocating the gas received to its Maine and New Hampshire divisions based upon the actual gas use over the period the meters were misread. As of March 31, 2009, Northern Utilities has recorded approximately $3.0 million reflecting the anticipated liability of the future refund amount based on current market prices with an offsetting receivable from Granite State.

Northern Utilities – Maine Capacity Costs – In its October 28, 2008 approval of Northern Utilities' Maine Division's Cost of Gas Factor for the 2008-2009 Winter Period, the MPUC approved recovery of an additional $0.5 million of annual demand costs that had been inadvertently omitted from Northern Utilities' reconciliation of the 2008-2009 Winter Period rates, although analogous costs had been included in its calculation of 2007-2008 Winter Period rates. The MPUC determined that recovery of these Local Production Capacity Costs was consistent with previous MPUC orders.

Northern Utilities also reported that, upon investigation, these annual demand costs, though approved, were incorrectly excluded from its reconciliation for five previous annual periods. The total impact for the five years is $2.4 million. On November 7, 2008, Northern Utilities filed a request with the MPUC seeking an accounting order allowing it to defer and amortize for recovery these unrecovered gas costs over a three year period. This matter remains pending.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2008 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 18, 2009.

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company believes it is in compliance with applicable environmental and safety laws and regulations, and the Company believes that as of March 31, 2009, there were no material losses reasonably likely to be incurred in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included on the Company's Consolidated Balance Sheet at March 31, 2009 are current and non-current accrued liabilities totaling $10.8 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant (MGP) site at Sawyer Passway, located in Fitchburg, Massachusetts. The amounts recorded do not assume any amounts are recoverable from insurance companies or other third parties. Also included on the Company's Consolidated Balance Sheet at March 31, 2009 are current and non-current accrued liabilities totaling $2.4 million associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were recorded to reflect that the recovery of these environmental remediation costs is probable through the regulatory process.

NOTE 8: RETIREMENT BENEFIT OBLIGATIONS

The Company sponsors the following retirement benefit plans to provide certain pension and postretirement benefits for its retirees and current employees as follows:

- The Unitil Corporation Retirement Plan (Pension Plan) - The Pension Plan is a defined benefit pension plan covering substantially all of its employees. Under the Pension Plan, retirement benefits are based upon an employee's level of compensation and length of service.

- The Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan) – The PBOP Plan provides health care and life insurance benefits to retirees. The Company has established Voluntary Employee Benefit Trusts (VEBT), into which it funds contributions to the PBOP Plan.

- The Unitil Corporation Supplemental Executive Retirement Plan (SERP) – The SERP is an unfunded retirement plan, with participation limited to executives selected by the Board of Directors.

Effective with the acquisitions of Northern Utilities and Granite State, the Company assumed the assets and obligations of the Northern Utilities and Granite State pension plans with respect to active union employees. All other active employees of Northern Utilities and Granite State effectively became members of the Company's Pension Plan as of the acquisitions closing date.

Certain employees of Northern Utilities qualified for participation in the Company's PBOP Plan effective with the acquisition closing date.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2009	2008
Used to Determine Plan Costs		
Discount Rate	**6.25%**	**6.00%**
Rate of Compensation Increase	**3.50%**	**3.50%**
Expected Long-term rate of return on plan assets	**8.50%**	**8.50%**
Health Care Cost Trend Rate Assumed for Next Year	**8.00%**	**8.50%**
Ultimate Health Care Cost Trend Rate	**4.00%**	**4.00%**
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	**2017**
Used to Determine Benefit Obligations:		
Discount Rate	**6.25%**	**6.00%**
Rate of Compensation Increase	**3.50%**	**3.50%**
Health Care Cost Trend Rate Assumed for Next Year	**8.00%**	**8.50%**
Ultimate Health Care Cost Trend Rate	**4.00%**	**4.00%**
Year that Ultimate Health care Cost Trend Rate is reached	**2017**	**2017**

The following table provides the components of the Company's Retirement plan costs ($000's):

	Pension Plan		PBOP Plan		SERP	
Three Months Ended March 31,	**2009**	2008	**2009**	2008	**2009**	2008
Service Cost	**$ 571**	**$ 488**	**$ 357**	**$ 355**	**$ 54**	**$ 37**
Interest Cost	**1,073**	**944**	**578**	**559**	**45**	**32**
Expected Return on Plan Assets	**(1,108)**	**(1,093)**	**(89)**	**(81)**	**---**	**---**
Prior Service Cost Amortization	**66**	**27**	**428**	**340**	**---**	**---**
Transition Obligation Amortization	**---**	**---**	**5**	**5**	**---**	**---**
Actuarial Loss Amortization	**399**	**319**	**---**	**---**	**18**	**6**
Sub-total	**1,001**	**685**	**1,279**	**1,178**	**117**	**75**
Amounts Capitalized and Deferred	**(282)**	**(201)**	**(358)**	**(439)**	**---**	**---**
Net Periodic Benefit Cost Recognized	**$ 719**	**$ 484**	**$ 921**	**$ 739**	**$ 117**	**$ 75**

Employer Contributions

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. Included in the PPA were new minimum funding rules which went into effect for plan years beginning in 2008. The funding target was 100% of a plan's liability (as determined under the PPA) with any shortfall amortized over seven years, with lower (92% - 100%) funding targets available to well-funded plans during the transition period. Due to the significant declines in the valuation of capital markets during 2008, the Worker, Retiree, and Employer Recovery Act of 2008 (Recovery Act) was signed into law on December 23, 2008. Included in the Recovery Act are temporary modifications to the minimum funding rules set forth in the PPA such that all plans, except those that were subject to deficit reduction contribution requirements in 2007, are allowed to amortize any shortfall from the lower funding targets, rather than the 100% target, for the 2008 - 2010 plan years. This did not affect the Company's Pension Plan in 2008 as its Pension Plan was 99% funded under the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as of January 1, 2008 and met the exemption from the shortfall amortization. The Company expects to contribute approximately $4.0 million to fund its Pension Plan in 2009.

As of March 31, 2009, the Company had made $0.2 million and $13,000 of contributions to the PBOP and SERP Plans, respectively, in 2009. The Company presently anticipates contributing an additional $2.6 million and $40,000 to the PBOP and SERP Plans, respectively, in 2009.

NOTE 9: INCOME TAXES

The Company bills its customers sales tax in Massachusetts and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2008 and for the current interim reporting period ended March 31, 2009 in accordance with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by FIN 48 is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2005; December 31, 2006; and December 31, 2007. Income tax filings for the year ended December 31, 2008 have been extended until September 15, 2009. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no material interest and penalties recognized in the statement of earnings or accrued on the balance sheet.

NOTE 10: UNAUDITED PRO FORMA FINANCIAL DATA RELATED TO ACQUISITIONS

On December 1, 2008, the Company acquired Northern Utilities and Granite State, as discussed in Note 1. Had the results of operations for Northern Utilities and Granite State been combined with the Company as of the beginning of 2008, the Company's pro forma results for the three months ended March 31, 2008 would have been as follows:

(Millions, except per share amounts) (Unaudited)	Three Months Ended March 31, 2008	
Revenues	$	126.4
Earnings Applicable to Common Shareholders	$	7.0
Earnings per Share		
Basic	$	0.88
Diluted	$	0.88

The Unaudited Pro Forma Financial Data are presented for illustrative purposes only and do not indicate the financial results of the combined companies had the companies actually been combined and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered, and is not intended to be a projection of future results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2008 as filed with the SEC on February 18, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended March 31, 2009.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), adopted by the Company on March 26, 2008, the Company periodically repurchased shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. There was no pool or maximum number of shares related to these purchases; however, the trading plan automatically terminated when $82,500 in value of shares were purchased so that, as of March 31, 2009, the value of shares that may yet be purchased under the trading plan was $0.

The Company adopted a new written trading plan under Rule 10b5-1 under the Exchange Act on March 26, 2009, covering the period March 26, 2009 through March 26, 2010. The Company may suspend or terminate this trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws. There is no pool or maximum number of shares related to these purchases; however, the trading plan will terminate when $83,000 in value of shares have been purchased or, if sooner, on March 26, 2010.

The Company's repurchases are shown in the table below for the monthly periods noted:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
1/1/09 – 1/31/09	---	---	---
2/1/09 – 2/28/09	---	---	---
3/1/09 – 3/31/09	214	$18.61	214
Total	214	$18.61	214

Item 5. Other Information

On April 27, 2009, the Company issued a press release announcing its results of operations for the three-month period ended March 31, 2009. The press release is furnished with the Quarterly Report on Form 10-Q as Exhibit 99.1.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated April 27, 2009 Announcing Earnings For the Quarter Ended March 31, 2009.	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL CORPORATION
(Registrant)

Date: April 28, 2009 /s/ Mark H. Collin
Mark H. Collin
Chief Financial Officer

Date: April 28, 2009 /s/ Laurence M. Brock
Laurence M. Brock
Chief Accounting Officer

EXHIBIT INDEX

Exhibit No.	Description of Exhibit	Reference
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32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated April 27, 2009 Announcing Earnings For the Quarter Ended March 31, 2009.	Filed herewith

EXHIBIT 11

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING
(Millions, except for per share data)
(UNAUDITED)

	Three Months Ended March 31,	
	2009	2008
Net Income	**$9.1**	$3.3
Less: Dividend Requirements on Preferred Stock	**---**	---
Net Income Applicable to Common Stock	**$9.1**	$3.3
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**8,018**	5,719
Dilutive Effect of Stock Options and Restricted Stock (000's)	**---**	5
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**8,018**	5,724
Earnings Per Share – Basic	**$1.14**	$0.57
Earnings Per Share – Diluted	**$1.14**	$0.57

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2009

/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2009

/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2009

/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	April 28, 2009
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	April 28, 2009
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	April 28, 2009

Unitil
We deliver.
It's that simple.

For Immediate Release

Exhibit 99.1

Contact: Mark H. Collin
Phone: 603-773-6612
Fax: 603-773-6605
Email: collin@unitil.com

Unitil Reports First Quarter Earnings

Hampton, NH – April 27, 2009: Unitil Corporation (NYSE: UTL) (www.unitil.com) today announced Earnings Applicable to Common Shareholders of $9.1 million for the first quarter of 2009, an increase of $5.8 million over 2008 first quarter earnings of $3.3 million. Earnings per common share (EPS) were $1.14 for the three months ended March 31, 2009, an improvement of $0.57 per share over the first quarter of 2008. Earnings in the first quarter of 2009 reflect the acquisition, on December 1, 2008, of Northern Utilities, Inc. (Northern Utilities) and Granite State Gas Transmission, Inc. (Granite State).

"Our strong financial results in the first quarter of 2009 reflect the strategic acquisition we completed in December of 2008," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "Unitil is now a larger company with a more diverse portfolio of local natural gas and electric distribution utility operations, which positions us well in a challenging economic environment."

Natural gas sales margin increased $18.1 million in the three months ended March 31, 2009 compared to the same period in 2008. This increase primarily reflects the contribution to natural gas sales margin by Northern Utilities, the Company's recently acquired local gas distribution utility. In addition to the contribution by Northern Utilities, total therm sales of natural gas increased 6.0% in the three months ended March 31, 2009 compared to the same period in 2008, reflecting increases of 6.3% and 5.9% in sales to residential and commercial and industrial (C&I) customers, respectively. The higher sales in the first three months of 2009 reflect a colder winter heating season this year and increased usage of natural gas by C&I customers for production operations. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

Electric sales margin increased $1.3 million in the three months ended March 31, 2009 compared to the same period in 2008, reflecting higher electric base rates in the current quarter, partially offset by lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 4.7% in the three months ended March 31, 2009 compared to the same period in 2008 driven by lower average usage per customer reflecting the continued economic slowdown and energy conservation.

Selected financial data for 2009 is presented in the following table:

Unitil Corporation - Condensed Financial Data

	(Millions, except Per Share Data) (Unaudited)		
	Three Months Ended March 31,		
	2009	2008	Change
Gas Therm Sales: (a)			
Residential	19.3	4.8	302.1%
Commercial/Industrial	58.1	6.8	754.4%
Total Gas Therm Sales	**77.4**	**11.6**	**567.2%**
Electric kWh Sales:			
Residential	180.6	182.4	(1.0%)
Commercial/Industrial	242.1	261.1	(7.3%)
Total Electric kWh Sales	**422.7**	**443.5**	**(4.7%)**

(a) 2009 Gas Therm Sales include Northern Utilities, Inc., acquired on December 1, 2008.

	2009	2008	Change
Gas Revenues	**$ 72.4**	**$ 14.3**	**$ 58.1**
Purchased Gas	49.0	9.0	40.0
Gas Sales Margin	**23.4**	**5.3**	**18.1**
Electric Revenues	**62.1**	**56.6**	**5.5**
Purchased Electricity	47.7	43.5	4.2
Electric Sales Margin	**14.4**	**13.1**	**1.3**
Usource™ Sales Margin	**1.1**	**1.0**	**0.1**
Total Sales Margin	**38.9**	**19.4**	**19.5**
Operation & Maintenance	10.4	4.7	5.7
Depreciation, Amortization, Taxes & Other	14.6	8.8	5.8
Interest Expense, Net	4.8	2.6	2.2
Earnings Applicable to Common Shareholders	**$ 9.1**	**$ 3.3**	**$ 5.8**
Earnings Per Share	**$ 1.14**	**$ 0.57**	$ **0.57**

Total Operation & Maintenance (O&M) expenses increased $5.7 million in the three months ended March 31, 2009 compared to the same period in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $2.1 million of the increase. In addition, higher year over year compensation and employee benefit expenses of $0.7 million and higher utility operating costs of $0.4 million, partially offset by lower professional fees of $0.3 million, contributed to the increase in O&M expenses. The increase in O&M expenses also reflects higher insurance costs in 2009 compared to 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Depreciation, Amortization, Taxes and Other expenses increased $5.8 million in the three months ended March 31, 2009 compared to the same period in 2008. The increase primarily reflects the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs.

Interest Expense, Net increased $2.2 million in the three months ended March 31, 2009 compared to the same period in 2008. The addition of Northern Utilities and Granite State accounted for $1.7 million of the increase, reflecting the issuance of long-term notes by Northern Utilities and Granite State in December 2008. In addition, the increase in Interest Expense, Net reflects higher average borrowings in the current quarter.

Also in the first quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

In December 2008, the Company issued and sold 2,000,000 shares of its common stock at a price of $20.00 per share in a registered public offering. In January 2009, the underwriters exercised the over-allotment option associated with this offering and purchased an additional 270,000 shares of the Company's common stock. The Company used net proceeds of $41.9 million from these issuances to repay a portion of the bank financing for the Company's acquisitions of Northern Utilities and Granite State and to repay other short-term indebtedness. Overall, the positive results of operations and net income are reflected over a higher number of average shares outstanding year over year.

As a result of the acquisitions of Northern Utilities and Granite State on December 1, 2008, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company expects that consolidated results of operations in future reporting periods will reflect to a greater degree the seasonal nature of natural gas sales by the acquired operating utilities. Accordingly, the Company expects that as a result of the acquisitions, consolidated results of operations will be positively affected during the first and fourth quarters, and negatively affected during the second and third quarters of future reporting years.

About Unitil

Unitil is a public utility holding company with subsidiaries providing electric and natural gas distribution service in New Hampshire and Massachusetts, natural gas distribution service in Maine and energy services throughout the northeast. Unitil serves approximately 170,000 utility customers in three states. Its utility affiliates include Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Northern Utilities, Inc. and Granite State Gas Transmission, Inc. Its other subsidiaries include Unitil Service Corp. and its non-regulated business segment doing business as Usource.

This press release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. All statements, other than statements of historical fact, are forward-looking statements. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to the following: variations in weather; changes in the regulatory environment; customers' preferences on energy sources; general economic conditions; increased competition; fluctuations in supply, demand, transmission capacity and prices for energy commodities; and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of Unitil Corporation.

For more information, visit Unitil at www.unitil.com or call Mark Collin at 603-773-6612.

UNITIL CORP (UTL)

10-Q
Quarterly report pursuant to sections 13 or 15(d)
Filed on 07/24/2009
Filed Period 06/30/2009

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended June 30, 2009

Commission File Number 1-8858

UNITIL CORPORATION
(Exact name of registrant as specified in its charter)

New Hampshire	**02-0381573**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6 Liberty Lane West, Hampton, New Hampshire	**03842-1720**
(Address of principal executive office)	**(Zip Code)**

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 23, 2009
Common Stock, No par value	**10,816,882 Shares**

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended June 30, 2009

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PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company headquartered in Hampton, New Hampshire. Unitil is subject to regulation as a holding company system by the Federal Energy Regulatory Commission (the "FERC") under the Energy Policy Act of 2005.

Unitil's principal business is the local distribution of electricity and natural gas throughout its service territory in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly owned distribution utilities: (i) Unitil Energy Systems, Inc. (Unitil Energy), which provides electric service in the southeastern seacoast and state capital regions of New Hampshire, including the city of Concord, New Hampshire; (ii) Fitchburg Gas and Electric Light Company (Fitchburg), which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and (iii) Northern Utilities, Inc. (Northern Utilities), which provides natural gas service in southeastern New Hampshire, including the city of Portsmouth, and portions of southern and central Maine, including the city of Portland. In addition, Unitil is the parent company of Granite State Gas Transmission, Inc. (Granite State), an interstate natural gas transmission pipeline company that principally provides interstate natural gas pipeline access and transportation services to Northern Utilities in its New Hampshire and Maine service territory.

The Company's distribution utilities serve approximately 100,300 electric customers and 69,300 natural gas customers in their service territory. The Company's distribution utilities are local "pipes and wires" operating companies and, combined with Granite State, had an investment in Net Utility Plant of $426.8 million at June 30, 2009. The Company does not own or operate electric generating facilities or major transmission facilities and substantially all of the Company's utility assets are dedicated to the local delivery of electricity and natural gas to its customers. Substantially all of Unitil's revenue and earnings are derived from regulated utility operations.

On December 1, 2008, Unitil purchased (i) all of the outstanding capital stock of Northern Utilities from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite State from NiSource Inc. (NiSource) pursuant to the Stock Purchase Agreement dated as of February 15, 2008 by and among NiSource, Bay State and Unitil (the "Acquisitions"). Bay State is a wholly owned subsidiary of NiSource. The aggregate purchase price for the Acquisitions was $160 million in cash, plus an additional working capital adjustment of $49.2 million, including approximately $30.0 million of natural gas storage inventory. To finance the Acquisitions and recapitalize Northern Utilities and Granite State, the Company issued additional equity and debt.

A fifth wholly owned subsidiary, Unitil Power Corp. (Unitil Power), formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of substantially all of its long-term power supply contracts through the sale of the entitlements to the electricity associated with those contracts.

The Company also has three other wholly owned subsidiaries: Unitil Service Corp. (Unitil Service); Unitil Realty Corp. (Unitil Realty); and Unitil Resources, Inc. (Unitil Resources). Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and energy supply management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire. Unitil Resources is the Company's wholly owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, "Usource") are indirect subsidiaries that are wholly owned by Unitil Resources. Usource provides energy brokering and advisory services to large commercial and industrial customers in the northeastern United States.

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RATES AND REGULATION

Unitil is subject to comprehensive regulation by federal and state regulatory authorities. Unitil and its subsidiaries are subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005 in regards to certain bookkeeping, accounting and reporting requirements. Unitil's utility operations related to wholesale and interstate energy business activities are also regulated by FERC. Unitil's distribution utilities are subject to regulation by the applicable state public utility commissions, in regards to their rates, issuance of securities and other accounting and operational matters: Unitil Energy is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC); Fitchburg is subject to regulation by the Massachusetts Department of Public Utilities (MDPU); and Northern Utilities is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's distribution utilities deliver electricity and/or natural gas to all customers in their service territory, at rates established under traditional cost of service regulation. Under this regulatory structure, Unitil's distribution utilities recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. As a result of a restructuring of the utility industry in New Hampshire, Massachusetts and Maine, Unitil's customers have the opportunity to purchase their electricity or natural gas supplies from third party suppliers. A majority of Unitil's largest commercial and industrial (C&I) customers purchase their electric and natural gas supplies from third party suppliers. However, most residential and small customers continue to purchase their electric and natural gas supplies through Unitil's distribution utilities. Unitil's distribution utilities purchase electricity or natural gas from unaffiliated wholesale suppliers and recover the actual costs of these supplies on a pass-through basis, as well as certain costs associated with industry restructuring, through reconciling rate mechanisms that are periodically adjusted.

The regulatory process in both New Hampshire and Maine, in connection with those states' approvals of the Acquisitions, included the negotiation and filing of settlement agreements reflecting commitments by Unitil with respect to Northern Utilities' rates, customer service and operations. The settlement agreements were separately negotiated and filed in each state but reflect a number of common features. For additional discussion, please refer to Unitil's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 18, 2009.

CAUTIONARY STATEMENT

This report and the documents the Company incorporates by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's and its management's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include those described in Part II, Item 1A (Risk Factors) and the following:

- The Company's ability to integrate the business, operations and personnel of Northern Utilities and Granite State and to achieve the estimated potential synergy savings attributable to the Acquisitions;
- The Company's ability to retain existing customers and gain new customers;
- Variations in weather;
- Major storms;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;

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- General economic conditions, including recent distress in the financial markets that has had an adverse impact on the availability of credit and liquidity resources generally and could jeopardize certain of the Company's counterparty obligations, including those of Unitil's insurers and financial institutions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' performance under multi-year energy brokering contracts.

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended June 30, 2009 and June 30, 2008 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Part I, Item 1 of this report.

As a result of the acquisitions of Northern Utilities and Granite State on December 1, 2008, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company expects that consolidated results of operations in current and future reporting periods will reflect to a greater degree the seasonal nature of the natural gas business. Specifically, the Company expects consolidated results of operations will be positively affected during the first and fourth quarters, and negatively affected during the second and third quarters of current and future reporting years.

Earnings Overview

The Company's Earnings Applicable to Common Shareholders was $0.2 million for the second quarter of 2009, compared to earnings of $1.6 million for the second quarter of 2008. Earnings per common share (EPS) were $0.03 for the three months ended June 30, 2009 compared with $0.28 in the second quarter of 2008. For the six months ended June 30, EPS were $1.10 for 2009 compared to $0.85 for 2008, an increase of $0.25 per share, or 29%, reflecting the positive impact from the acquisitions of Northern Utilities and Granite State.

Earnings for the second quarter of 2009 reflect the greater degree to which the seasonal nature of the natural gas business now affects the Company's earnings as a result of the acquisitions of Northern Utilities and Granite State, as discussed above. Earnings in the second quarter reflect higher gas utility sales margins offset by lower electric utility sales margins and higher operating, depreciation and interest costs in the quarter as well as a higher number of average shares outstanding year over year, discussed below.

Natural gas sales margin increased $8.4 million and $26.5 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the contribution by Northern Utilities, the Company's recently acquired local gas distribution utility. Natural gas sales in the six month period ended June 30, 2009 reflect a colder winter heating season this year. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

Electric sales margin decreased $1.6 million and $0.3 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008, reflecting lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 6.8% and 5.7% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due to lower average usage by our customers reflecting the continued regional economic slowdown.

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Total Operation & Maintenance (O&M) expenses increased $5.0 million and $10.7 million for the three and six months ended June 30, 2009, respectively, compared to the same period in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $4.3 million of the increase in the six month period. For the six month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees expense of $1.9 million, primarily related to the December ice storm discussed below, higher compensation and employee benefit expenses of $0.6 million and higher utility operating costs of $1.1 million contributed to the increase in O&M expenses. The increase in O&M expenses for the six month period also reflects higher insurance costs in 2009 compared to the same period in 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Depreciation, Amortization, Taxes and Other expenses increased $2.1 million and $7.9 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. The increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs.

Interest Expense, Net increased $1.4 million and $3.6 million in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. These increases are primarily due to the addition of Northern Utilities and Granite State, reflecting the issuance of long-term notes by Northern Utilities and Granite State in December 2008. In addition, these increases in Interest Expense, Net reflect higher average borrowings in the current periods.

Usource, our non-regulated energy brokering business, recorded revenues of $1.1 million and $2.2 million in the three and six month periods ended June 30, 2009, respectively, increases of $0.3 million and $0.4 million over the comparable periods of 2008. Usource's revenues are primarily derived from fees and charges billed to suppliers as customers take delivery of energy from these suppliers under term contracts brokered by Usource.

On December 11 and 12, 2008, a severe ice storm struck the New England region, creating extended power outages for many residents of Massachusetts and New Hampshire, including Unitil's electric customers in New Hampshire and the greater Fitchburg, Massachusetts service territory. Based on its preliminary assessment, the Company has accrued and deferred, excluding capital construction expenditures, approximately $12.5 million in costs for the repair and replacement of electric distribution systems damaged during the storm. The amount and timing of the cost recovery of these storm restoration expenditures will be determined in future regulatory proceedings. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations.

Between December 2008 and June 2009, the Company issued and sold 4,970,000 shares of its common stock, including its underwriters' excercise of overallotment options to purchase an additional 570,000 shares, at a price of $20.00 per share in registered public offerings. The Company used net proceeds of $93.1 million from these offerings (i) to repay all amounts outstanding under the bridge credit facility that the Company used to partially finance the acquisition of Northern Utilities and Granite State which closed on December 1, 2008, and (ii) for other general corporate purposes, including capital contributions to Unitil's distribution utilities and repayment of short-term debt. See Note 4. Overall, the positive results of operations and net income are reflected over a higher number of average shares outstanding year over year.

In 2008, Unitil's annual common dividend was $1.38, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock. At its January, 2009, March, 2009 and June, 2009 meetings, the Unitil Board of Directors declared quarterly dividends on the Company's common stock of $0.345 per share.

A more detailed discussion of the Company's results of operations for the three and six months ended June 30, 2009 and a period-to-period comparison of changes in financial position are presented below.

Balance Sheet

The Company's Total Assets increased by $230.9 million as of June 30, 2009 compared to June 30, 2008. The increase in Total Assets was primarily due to the inclusion of the acquisitions of Northern Utilities and Granite State and to capital expenditures related to Unitil Energy's and Fitchburg's electric and gas distribution systems.

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The Company's Total Capitalization increased by $185.6 million as of June 30, 2009 compared to June 30, 2008 reflecting the issuance of common shares by the Company as part of its financing of the acquisitions of Northern Utilities and Granite State (See Note 4 to the accompanying Consolidated Financial Statements) and the issuance and sale of Senior Unsecured Notes by Northern Utilities and Granite State (See Note 5 to the accompanying Consolidated Financial Statements). The Company's Total Liabilities increased $45.3 million primarily due to the acquisitions of Northern Utilities and Granite State.

Gas Sales, Revenues and Margin

Therm Sales – Overall, Unitil's total therm sales of natural gas increased in the three and six month periods ended June 30, 2009 compared to the same periods in 2008. These increases primarily reflect the contribution of sales by Northern Utilities. Excluding the contribution to sales by Northern Utilities, total therm sales of natural gas decreased 9.7% in the three months ended June 30, 2009 compared to the same period in 2008 and increased 1.1% in the six months ended June 30, 2009 compared to the same period in 2008. The increase in the six month period ended June 30, 2009 reflects a colder winter heating season this year. Average winter temperatures in the Company's service territories were 6.4% colder than last year. The lower sales in the three month period ended June 30, 2009 reflect energy conservation and lower usage of natural gas by C&I customers for production operations.

The following table details total firm therm sales for the three and six months ended June 30, 2009 and 2008, by major customer class:

Therm Sales (millions) (a)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Residential	**6.9**	2.1	4.8	228.6%	**26.2**	6.9	19.3	279.7%
Commercial / Industrial	**28.5**	4.1	24.4	595.1%	**86.6**	10.9	75.7	694.5%
Total	**35.4**	6.2	29.2	471.0%	**112.8**	17.8	95.0	533.7%

(a) 2009 Therm Sales include Northern Utilities, acquired on December 1, 2008.

Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three and six months ended June 30, 2009 and 2008:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2009	2008	$ Change	% Change[(1)]	2009	2008	$ Change	% Change[(1)]
Gas Operating Revenue:								
Residential	**$ 9.6**	$ 3.5	$ 6.1	92.4%	**$ 40.0**	$ 11.6	$ 28.4	135.9%
Commercial / Industrial	**13.8**	3.1	10.7	162.1%	**55.8**	9.3	46.5	222.5%
Total Gas Operating Revenue	**$ 23.4**	$ 6.6	$ 16.8	254.5%	**$ 95.8**	$ 20.9	$ 74.9	358.4%
Cost of Gas Sales:								
Purchased Gas	**$ 11.8**	$ 3.9	$ 7.9	119.7%	**$ 60.2**	$ 12.9	$ 47.3	226.3%
Conservation & Load Management	**0.6**	0.1	0.5	7.6%	**1.2**	0.1	1.1	5.3%
Gas Sales Margin	**$ 11.0**	$ 2.6	$ 8.4	127.3%	**$ 34.4**	$ 7.9	$ 26.5	126.8%

(1) Represents change as a percent of Total Gas Operating Revenue.

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Total Gas Operating Revenues increased $16.8 million and $74.9 million in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the natural gas sales for Northern Utilities. Total Gas Operating Revenues include the recovery of the cost of sales, which are recorded as Purchased Gas and Conservation & Load Management (C&LM) in Operating Expenses. The increase in Total Gas Operating Revenues in the second quarter of 2009 reflects higher Purchased Gas costs of $7.9 million, higher C&LM revenues of $0.5 million and higher gas sales margin of $8.4 million. The increase in Total Gas Operating Revenues in the first six months of 2009 reflects higher Purchased Gas costs of $47.3 million, higher C&LM revenues of $1.1 million and higher gas sales margin of $26.5 million.

The Purchased Gas and C&LM component of Gas Operating Revenues increased $8.4 million and $48.4 million in the three and six month periods ended June 30, 2009 compared to the same periods in 2008. These increases primarily reflect the natural gas sales for Northern Utilities. Purchased Gas revenues include the recovery of the cost of gas supply as well as other energy supply related costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Natural gas sales margin increased $8.4 million and $26.5 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the contribution by Northern Utilities.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – Unitil's total electric kilowatt (kWh) sales decreased 6.8% and 5.7% in the three and six month periods ended June 30, 2009, respectively compared to the same periods in 2008. Electric kWh sales to residential customers in the three and six month periods ended June 30, 2009 decreased 4.3% and 2.5%, respectively, compared to the same periods in 2008 while sales to C&I customers decreased 8.2% and 7.7%, respectively, in those periods compared to the same periods in 2008. The lower kWh sales in 2009 compared to 2008 reflect lower average usage by our customers due to the continued regional economic slowdown.

The following table details total kWh sales for the three and six months ended June 30, 2009 and 2008 by major customer class:

kWh Sales (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Residential	**141.1**	147.5	(6.4)	(4.3%)	**321.7**	329.9	(8.2)	(2.5%)
Commercial / Industrial	**233.2**	254.0	(20.8)	(8.2%)	**475.3**	515.1	(39.8)	(7.7%)
Total	**374.3**	401.5	(27.2)	(6.8%)	**797.0**	845.0	(48.0)	(5.7%)

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Electric Operating Revenues and Sales Margin – The following table details total Electric Operating Revenues and Sales Margin for the three and six month periods ended June 30, 2009 and 2008:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2009	**2008**	**$ Change**	**% Change[1]**	**2009**	**2008**	**$ Change**	**% Change[1]**
Electric Operating Revenue:								
Residential	**$ 23.3**	$ 25.9	$ (2.6)	(5.0%)	**$ 56.4**	$ 56.2	$ 0.2	0.2%
Commercial / Industrial	**23.7**	26.1	(2.4)	(4.6%)	**52.7**	52.4	0.3	0.3%
Total Electric Operating Revenue	**$ 47.0**	$ 52.0	$ (5.0)	(9.6%)	**$ 109.1**	$ 108.6	$ 0.5	0.5%
Cost of Electric Sales:								
Purchased Electricity	**$ 33.4**	$ 36.8	$ (3.4)	(6.5%)	**$ 80.6**	$ 79.7	$ 0.9	0.9%
Conservation & Load Management	**0.8**	0.8	—	—	**1.3**	1.4	(0.1)	(0.1%)
Electric Sales Margin	**$ 12.8**	$ 14.4	$ (1.6)	(3.1%)	**$ 27.2**	$ 27.5	$ (0.3)	(0.3%)

(1) Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenues, decreased by $5.0 million, or 9.6%, and increased by $0.5 million, or 0.5%, in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. Total Electric Operating Revenues include the recovery of costs of electric sales, which are recorded as Purchased Electricity and C&LM in Operating Expenses. The decrease in Total Electric Operating Revenues in the second quarter of 2009 reflects lower Purchased Electricity costs of $3.4 million and lower electric sales margin of $1.6 million. The increase in Total Electric Operating Revenues in the first six months of 2009 reflects higher Purchased Electricity costs of $0.9 million, partially offset by lower C&LM revenues of $0.1 million and lower electric sales margin of $0.3 million.

The Purchased Electricity and C&LM component of Total Electric Operating Revenues decreased $3.4 million, or 6.5%, and increased a net $0.8 million, or 0.8%, in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. The decrease in the three month period reflects lower sales volumes and lower electric commodity prices. The increase in the six month period reflects higher electric commodity prices and a decrease in the amount of electricity purchased by customers directly from third-party suppliers, partially offset by lower sales volumes and lower spending on energy efficiency and conservation programs. Purchased Electricity revenues include the recovery of the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin decreased $1.6 million and $0.3 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. The decrease in the three month period reflects lower sales volumes. The decrease in the six month period reflects lower sales volumes partially offset by higher electric base rates implemented in March 2008.

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Operating Revenue - Other

The following table details total Other Revenue for the three and six months ended June 30, 2009 and 2008:

Other Revenue (000's)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2009	2008	$ Change	% Change	2009	2008	$ Change	% Change
Other	**$ 1.1**	$ 0.8	$ 0.3	37.5%	**$ 2.2**	$ 1.8	$ 0.4	22.2%
Total Other Revenue	**$ 1.1**	$ 0.8	$ 0.3	37.5%	**$ 2.2**	$ 1.8	$ 0.4	22.2%

Total Other Revenue increased $0.3 million, or 37.5% and $0.4 million, or 22.2%, in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. These increases were the result of growth in revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

Purchased Gas – Purchased Gas expenses include the cost of gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas increased $7.9 million and $47.3 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the natural gas supply purchases for Northern Utilities, which were not included in the prior year period. The Company recovers the costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

Purchased Electricity – Purchased Electricity expenses include the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. Purchased Electricity decreased $3.4 million, or 9.2%, and increased $0.9 million, or 1.1%, in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. The decrease in the three month period primarily reflects lower sales volumes and lower electric commodity prices. The increase in the six month period reflects higher electric commodity prices and a decrease in the amount of electricity purchased by customers directly from third-party suppliers, partially offset by lower sales volumes. The Company recovers the costs of Purchased Electricity in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

Operation and Maintenance (O&M) – O&M expense includes electric and gas utility operating costs, and the operating cost of the Company's unregulated business activities. Total O&M expenses increased $5.0 million and $10.7 million for the three and six months ended June 30, 2009, respectively, compared to the same period in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $1.9 million and $4.3 million of the increases in the three and six month periods, respectively. For the three month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees of $2.2 million, primarily related to the internal review and legal and regulatory proceedings associated with the ice storm of December 2008, higher compensation and employee benefit expenses of $0.2 million, reflecting normal annual increases, and higher utility operating costs of $0.7 million contributed to the increase in O&M expenses. For the six month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees of $1.9 million, primarily related to the internal review and legal and regulatory proceedings associated with the ice storm of December 2008, higher compensation and employee benefit expenses of $0.6 million and higher utility operating costs of $1.1 million contributed to the increase in O&M expenses. The increase in the six month period also reflects higher insurance costs in 2009 compared to 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Conservation & Load Management – Conservation and Load Management expenses are expenses associated with the development, management, and delivery of the Company's energy efficiency programs. Energy efficiency programs are designed, in conformity to state regulatory requirements, to help consumers use natural gas and

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electricity more efficiently and thereby decrease their energy costs. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 90% of these costs are related to electric operations and 10% to gas operations.

Total C&LM expenses decreased $0.5 million, or 55.6% and $1.0 million, or 66.7%, in the three and six month periods ended June 30, 2009 compared to the same periods in 2008. These costs are collected from customers on a fully reconciling basis and therefore, fluctuations in program costs do not affect earnings.

Depreciation, Amortization and Taxes

Depreciation and Amortization – Depreciation and Amortization expense increased $1.9 million, or 42.2% and $3.0 million, or 30.9% in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs.

Local Property and Other Taxes – Local Property and Other Taxes increased $0.8 million and $2.1 million in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher local property tax rates on higher levels of utility plant in service.

Federal and State Income Taxes – Federal and State Income Taxes were lower by $0.6 million in the three month period ended June 30, 2009 compared to the same period in 2008 reflecting lower pre-tax earnings. Federal and State Income Taxes were higher by $2.9 million in the six month period ended June 30, 2009 compared to the same period in 2008 reflecting higher pre-tax earnings.

Other Non-operating Expenses (Income)

Other Non-operating Expenses were flat in the three month period ended June 30, 2009 compared to the same period in 2008. For the six month period ended June 30, 2009, Other Non-operating Expenses decreased $0.1 million compared to the same period in 2008. This change reflects an adjustment of $0.1 million recorded in the first quarter of 2008 in conjunction with the Company's approved electric base distribution rate increase in Massachusetts.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. Certain reconciling rate mechanisms used by the Company's distribution utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

Unitil's utility subsidiaries operate a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the distribution utilities' rate tariffs, interest is accrued on these balances and will produce either interest income or interest expense. Interest income is recorded on an under-collection of costs, which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

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Interest Expense, Net (Millions)	**Three Months Ended June 30,**			**Six Months Ended June 30,**		
	2009	**2008**	**Change**	**2009**	**2008**	**Change**
Interest Expense						
Long-term Debt	**$ 4.5**	$ 2.9	$ 1.6	**$ 9.1**	$ 5.7	$ 3.4
Short-term Debt	**0.6**	0.2	0.4	**1.1**	0.5	0.6
Regulatory Liabilities	**0.1**	—	0.1	**0.1**	0.1	—
Subtotal Interest Expense	**5.2**	3.1	2.1	**10.3**	6.3	4.0
Interest (Income)						
Regulatory Assets	**(0.6)**	(0.7)	0.1	**(1.3)**	(1.3)	—
AFUDC and Other	**(0.9)**	(0.1)	(0.8)	**(0.5)**	(0.1)	(0.4)
Subtotal Interest (Income)	**(1.5)**	(0.8)	(0.7)	**(1.8)**	(1.4)	(0.4)
Total Interest Expense, Net	**$ 3.7**	$ 2.3	$ 1.4	**$ 8.5**	$ 4.9	$ 3.6

On December 3, 2008, Northern Utilities completed the sale of $80 million of Senior Unsecured Notes, through a private placement to institutional investors. The debt financing included $50 million of 30-year notes with a coupon rate of 7.72% and $30 million of 10-year notes with a coupon rate of 6.95%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Northern Utilities.

On December 15, 2008, Granite State completed the sale of $10 million of Senior Unsecured Notes, through a private placement to institutional investors. The Notes have a term of 10 years maturity and a coupon rate of 7.15%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Granite State.

Interest Expense, Net increased $1.4 million and $3.6 million in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2009. These increases were primarily due to the issuance of the long-term notes, noted above, and higher average borrowings in the current periods, partially offset by lower interest expense related to the repayment of the bank financing facility in the second quarter of 2009. In the second quarter of 2009, the permanent financing of the acquisition was completed and the associated interim financing fees and costs of the acquisition were recognized as part of transaction costs, to be amortized over 10 years, in accordance with the provisions of the regulatory orders approving the acquisitions by the NHPUC and MPUC.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities. The Company initially supplements internally generated funds through bank borrowings, as needed, under unsecured short-term bank credit facilities. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets. The Company's utility operations are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

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At June 30, 2009, the Company had $30.6 million in short-term debt outstanding through bank borrowings under its revolving credit agreement. The revolving credit agreement contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of June 30, 2009, the Company was in compliance with financial covenants contained in the revolving credit agreement.

During the second quarter of 2009, the Company repaid the remaining $39.1 million outstanding under a bank financing facility utilized in connection with the financing of the acquisition of Northern Utilities and Granite State on December 1, 2008.

The Company provides limited guarantees on certain energy and natural gas storage management contracts entered into by the distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of June 30, 2009, there were approximately $18.3 million of guarantees outstanding and these guarantees extend through December 31, 2010.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of June 30, 2009, the principal amount outstanding for the 8% Unitil Realty notes was $4.5 million, and the principal amount outstanding for the 7.15% Granite State notes was $10.0 million. The guarantee related to the Granite State notes will terminate if Granite State reorganizes and merges with and into Northern Utilities.

Off-Balance Sheet Arrangements

The Company and its subsidiaries do not currently use, and are not dependent on the use of, off-balance sheet financing arrangements such as securitization of receivables or obtaining access to assets or cash through special purpose entities or variable interest entities. Unitil's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their vehicles, machinery and office equipment under both capital and operating lease arrangements.

Cash Flows

On December 1, 2008, the Company acquired Northern Utilities and Granite State. Cash flow results for the first six months of 2009 include the activity for the acquired companies. Unitil's utility operations, taken as a whole, are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows. The tables below summarize the major sources and uses of cash (in millions) for the six months ended June 30, 2009 compared to the same period in 2008.

	Six Months Ended June 30,	
	2009	2008
Cash Provided by Operating Activities	**$ 18.7**	$ 19.8

Cash Provided by Operating Activities – Cash Provided by Operating Activities was $18.7 million during the six months ended June 30, 2009, a decrease of $1.1 million over the comparable period in 2008. Cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes increased by $3.6 million as compared to 2008, and sources of cash for working capital increased $11.2 million, primarily related to the funding in 2009 of deferred regulatory charges related to the December ice storm, while all other sources and uses of cash from Operating Activities resulted in a net use of cash of $15.9 million in the first six months of 2009 compared to 2008.

	Six Months Ended June 30,	
	2009	2008
Cash (Used in) Investing Activities	**$ (26.1)**	$ (10.2)

Cash (Used in) Investing Activities – Cash (Used in) Investing Activities was $26.1 million for the six months ended June 30, 2009, an increase in capital spending of $15.9 million over the comparable period in 2008. Of

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this amount, $7.5 million is related to expenditures for the December 2008 ice storm, and $6.9 million is related to capital expenditures for Northern Utilities.

	Six Months Ended June 30,	
	2009	2008
Cash Provided by (Used in) Financing Activities	**$ 6.2**	$ (9.9)

Cash Provided by (Used in) Financing Activities – Cash Provided by Financing Activities was $6.2 million in the six months ended June 30, 2009. Proceeds from the issuance of Common Stock of $56.2 million primarily reflect the issuance of common stock by the Company through public offerings, as discussed above (See Note 4). Short-term borrowings were reduced by $43.5 million in the first six months of 2009 which included the repayment of the temporary bank credit facility utilized in financing the acquisition of Northern Utilities and Granite State on December 1, 2008. Uses of cash of $5.6 million primarily reflect Unitil's regular quarterly dividend payments on Common and Preferred Stock, and the scheduled repayment of long-term debt.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, the Company is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgment, the financial position of the Company could be materially affected and the results of operations of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 18, 2009.

Regulatory Accounting – The Company's principal business is the distribution of electricity and natural gas by the three distribution utilities: Unitil Energy, Fitchburg and Northern Utilities. Unitil Energy is regulated by the FERC and the NHPUC. Fitchburg is regulated by the FERC and the MDPU. Northern Utilities is regulated by the MPUC and NHPUC. Granite State, the Company's natural gas transmission pipeline, is regulated by the FERC. Accordingly, the Company uses the provisions of FASB Statement No. 71, "Accounting for the Effects of Certain Types of Regulation." (SFAS No. 71). In accordance with SFAS No. 71, the Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

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Regulatory Assets consist of the following (millions)

	June 30, 2009	June 30, 2008	December 31, 2008
Energy Supply Contract Obligations	**$ 42.8**	$ 62.7	$ 52.7
Deferred Regulatory and Other Charges	**40.9**	28.8	28.3
Generation-related Assets	**0.4**	1.2	0.8
Subtotal – Restructuring Related Items	**84.1**	92.7	81.8
Retirement Benefit Obligations	**46.3**	35.2	45.5
Income Taxes	**15.3**	13.8	16.0
Environmental Obligations	**21.4**	11.3	19.7
Other	**10.2**	3.2	10.1
Total Regulatory Assets	**$ 177.3**	$ 156.2	$ 173.1
Less: Current Portion of Regulatory Assets[1]	**24.3**	22.4	26.9
Regulatory Assets - noncurrent	**$ 153.0**	$ 133.8	$ 146.2

(1) Reflects amounts included in Accrued Revenue on the Company's Consolidated Balance Sheets.

The Company receives a return on investment on its regulated assets for which a cash outflow has been made. Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated distribution and transmission utilities will recover their investments in long-lived assets, including regulatory assets. If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of SFAS No. 71. If unable to continue to apply the provisions of SFAS No. 71, the Company would be required to apply the provisions of FASB Statement No. 101, "Regulated Enterprises – Accounting for the Discontinuation of Application of Financial Accounting Standards Board Statement No. 71." In the Company's opinion, its regulated operations will be subject to SFAS No. 71 for the foreseeable future.

Utility Revenue Recognition – Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. However, the determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts – The Company recognizes a provision for doubtful accounts each month based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. At the end of each month, an analysis of the delinquent receivables is performed which takes into account an assumption about the cash recovery of delinquent receivables. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company's distribution utilities are authorized by regulators to recover the costs of their energy commodity portion of bad debts through rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

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Retirement Benefit Obligations – The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", (SFAS No. 158), an amendment of SFAS No. 87, "Employers' Accounting for Pensions", SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," SFAS No. 106, "Employers' Accounting for Postretirement Benefits other than Pensions" and SFAS No. 132(R), "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS No. 158 requires companies to record on their balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs.

The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO. If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2008 and 2007, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $200,000 in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2008 and 2007, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $675,000 and $690,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $531,000 and $539,000, respectively. (See Note 9 to the accompanying Consolidated Financial Statements).

Income Taxes – Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets. The Company accounts for income tax assets, liabilities and expenses in accordance with FASB Statement No. 109, "Accounting for Income Taxes" (SFAS No. 109) and under FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109.

Depreciation – Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies – The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with SFAS No. 5. SFAS No. 5 applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future

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events occur or fail to occur. As of June 30, 2009, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to "Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

As of June 30, 2009, 148 of the Company's employees were represented by labor unions. These employees are covered by collective bargaining agreements. Two agreements expire on May 31, 2010, one agreement expires on June 5, 2010 and one agreement expires on March 31, 2012. The agreements provide discreet salary adjustments, established work practices and uniform benefit packages. The Company expects to successfully negotiate new agreements prior to their expiration dates.

INTEREST RATE RISK

As discussed above, Unitil meets its external financing needs by issuing short-term and long-term debt. The majority of debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new issuances of long-term debt securities. In addition, short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease interest expense in future periods. For example, if the average amount of short-term debt outstanding was $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000. The average interest rates on the Company's short-term borrowings for the three months ended June 30, 2009 and June 30, 2008 were 4.28% and 2.84%, respectively. The average interest rates on the Company's short-term borrowings for the six months ended June 30, 2009 and June 30, 2008 were 4.53% and 3.40%, respectively.

MARKET RISK

Although Unitil's three distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 8 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

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Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Operating Revenues				
Gas	**$ 23.4**	$ 6.6	**$ 95.8**	$ 20.9
Electric	**47.0**	52.0	**109.1**	108.6
Other	**1.1**	0.8	**2.2**	1.8
Total Operating Revenues	**71.5**	59.4	**207.1**	131.3
Operating Expenses				
Purchased Gas	**11.8**	3.9	**60.2**	12.9
Purchased Electricity	**33.4**	36.8	**80.6**	79.7
Operation and Maintenance	**12.0**	7.0	**22.4**	11.7
Conservation & Load Management	**1.4**	0.9	**2.5**	1.5
Depreciation and Amortization	**6.4**	4.5	**12.7**	9.7
Provisions for Taxes:				
Local Property and Other	**2.2**	1.4	**5.2**	3.1
Federal and State Income	**0.1**	0.7	**5.4**	2.5
Total Operating Expenses	**67.3**	55.2	**189.0**	121.1
Operating Income	**4.2**	4.2	**18.1**	10.2
Non-Operating Expenses	**0.2**	0.2	**0.2**	0.3
Income Before Interest Expense	**4.0**	4.0	**17.9**	9.9
Interest Expense, Net	**3.7**	2.3	**8.5**	4.9
Net Income	**0.3**	1.7	**9.4**	5.0
Less: Dividends on Preferred Stock	**0.1**	0.1	**0.1**	0.1
Earnings Applicable to Common Shareholders	**$ 0.2**	$ 1.6	**$ 9.3**	$ 4.9
Average Common Shares Outstanding – Basic (000's)	**9,014**	5,736	**8,516**	5,728
Average Common Shares Outstanding—Diluted (000's)	**9,014**	5,741	**8,516**	5,733
Earnings Per Common Share (Basic and Diluted)	**$ 0.03**	$ 0.28	**$ 1.10**	$ 0.85
Dividends Declared Per Share of Common Stock	**$ 0.345**	$ 0.345	**$ 1.035**	$ 1.035

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)

	(UNAUDITED) June 30, 2009	June 30, 2008	December 31, 2008
ASSETS:			
Utility Plant:			
Electric	**$ 294.1**	$ 272.8	$ 289.0
Gas	**314.5**	69.8	304.2
Common	**27.8**	27.2	30.5
Construction Work in Progress	**13.4**	7.3	17.7
Total Utility Plant	**649.8**	377.1	641.4
Less: Accumulated Depreciation	**223.0**	126.0	218.6
Net Utility Plant	**426.8**	251.1	422.8
Current Assets:			
Cash	**10.3**	4.3	11.5
Accounts Receivable – Net of Allowance for Doubtful Accounts of $2.8, $1.3 and $3.0	**30.9**	22.5	39.7
Accrued Revenue	**31.0**	36.6	56.9
Gas Inventory	**8.5**	2.0	31.6
Materials and Supplies	**3.0**	1.9	2.7
Prepayments and Other	**4.1**	2.2	5.9
Total Current Assets	**87.8**	69.5	148.3
Noncurrent Assets:			
Regulatory Assets	**153.0**	133.8	146.2
Other Noncurrent Assets	**26.9**	9.2	15.9
Total Noncurrent Assets	**179.9**	143.0	162.1
TOTAL	**$ 694.5**	$ 463.6	$ 733.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) June 30, 2009	(UNAUDITED) June 30, 2008	December 31, 2008
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 195.9**	$ 100.0	$ 139.5
Preferred Stock	**2.0**	2.0	2.0
Long-Term Debt, Less Current Portion	**249.1**	159.4	249.3
Total Capitalization	**447.0**	261.4	390.8
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.4	0.4
Accounts Payable	**19.1**	18.2	36.3
Short-Term Debt	**30.6**	12.8	74.1
Energy Supply Contract Obligations	**18.1**	19.9	42.0
Other Current Liabilities	**32.9**	8.8	33.8
Total Current Liabilities	**101.1**	60.1	186.6
Deferred Income Taxes	**29.8**	34.2	31.1
Noncurrent Liabilities:			
Energy Supply Contract Obligations	**27.7**	42.8	34.6
Retirement Benefit Obligations	**71.1**	51.0	67.4
Environmental Obligations	**11.4**	12.0	12.3
Other Noncurrent Liabilities	**6.4**	2.1	10.4
Total Noncurrent Liabilities	**116.6**	107.9	124.7
TOTAL	**$ 694.5**	$ 463.6	$ 733.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Operating Activities:		
Net Income	**$ 9.4**	$ 5.0
Adjustments to Reconcile Net Income to Cash		
Provided by Operating Activities:		
Depreciation and Amortization	**12.7**	9.7
Deferred Taxes	**(2.6)**	1.2
Changes in Current Assets and Liabilities:		
Accounts Receivable	**8.8**	2.4
Accrued Revenue	**25.9**	(1.5)
Accounts Payable	**(17.2)**	0.6
All other Current Assets and Liabilities	**(4.0)**	0.8
Deferred Regulatory and Other Charges	**(12.2)**	1.7
Other, net	**(2.1)**	(0.1)
Cash Provided by Operating Activities	**18.7**	19.8
Investing Activities:		
Property, Plant and Equipment Additions	**(26.1)**	(10.2)
Cash (Used in) Investing Activities	**(26.1)**	(10.2)
Financing Activities:		
Proceeds From (Repayment of) Short-Term Debt, net	**(43.5)**	(6.0)
Dividends Paid	**(5.6)**	(4.0)
Proceeds from Issuance of Common Stock, net	**56.2**	0.5
Other, net	**(0.9)**	(0.4)
Cash Provided by (Used in) Financing Activities	**6.2**	(9.9)
Net (Decrease) in Cash	**(1.2)**	(0.3)
Cash at Beginning of Period	**11.5**	4.6
Cash at End of Period	**$ 10.3**	$ 4.3
Supplemental Cash Flow Information:		
Interest Paid	**$ 9.7**	$ 6.1
Income Taxes Paid	**$ 0.5**	$ 0.5

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (Unitil Energy), Fitchburg Gas and Electric Light Company (Fitchburg), Northern Utilities, Inc. (Northern Utilities), Granite State Gas Transmission, Inc. (Granite State), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, a natural gas distribution utility serving customers in Maine and New Hampshire, from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite State, an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (NiSource) pursuant to the Stock Purchase Agreement (SPA) dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil (the "Acquisitions").

Unitil's principal business is the local distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire and the greater Fitchburg area of north central Massachusetts and the local distribution of natural gas in southeastern New Hampshire, portions of southern and central Maine and in the greater Fitchburg area of north central Massachusetts. Unitil has three distribution utility subsidiaries, Unitil Energy, which operates in New Hampshire, Fitchburg, which operates in Massachusetts and Northern Utilities, which operates in New Hampshire and Maine (collectively referred to as the distribution utilities).

Granite State is a natural gas transportation pipeline, operating 87 miles of underground gas transmission pipeline primarily located in Maine, New Hampshire and Massachusetts. Granite State provides Northern Utilities with interconnection to three major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north. Granite State derives its revenues principally from the transportation services provided to Northern Utilities and, to a lesser extent, third -party marketers.

A fifth utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve Unitil Energy's customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service; Unitil Realty; and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology, energy management and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three and six months ended June 30, 2009 are not necessarily indicative of results to be expected for the year ending December 31, 2009. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31,

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2008, as filed with the Securities and Exchange Commission (SEC) on February 18, 2008, for a description of the Company's Basis of Presentation.

As discussed above, the Company acquired Northern Utilities and Granite State on December 1, 2008. Accordingly, the operations of Northern Utilities and Granite State are included in the Company's consolidated financial statements from the date of acquisition, including the three and six months ended June 30, 2009 but not for the three and six months ended June 30, 2008. See Note 11.

As a result of the acquisitions of Northern Utilities and Granite State on December 1, 2008, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company expects that consolidated results of operations in future reporting periods will reflect to a greater degree the seasonal nature of natural gas sales by the acquired operating utilities. Accordingly, the Company expects that as a result of the acquisitions, consolidated results of operations will be positively affected during the first and fourth quarters, and negatively affected during the second and third quarters of future reporting years.

Derivatives – The Company has a regulatory approved hedging program for Northern Utilities designed to fix a portion of its gas supply costs for the coming year of service. In order to fix these costs, the Company purchases NYMEX futures that correspond to the associated delivery month. Any gains or losses on the fair value of these derivatives are passed through to ratepayers directly through a regulatory commission approved recovery mechanism. As a result of the ratemaking process, the Company records gains and losses as regulatory liabilities or assets and recognizes such gains or losses in Purchased Gas when recovered in revenues. The Company's Consolidated Balance Sheets include derivative liabilities related to net unrealized losses on futures contracts in Other Current Liabilities and Noncurrent Liabilities which are offset in Accrued Revenues on the Company's Consolidated Balance Sheets.

Reclassifications – Based on the Company's analysis certain amounts previously reported have been reclassified to improve the financial statements' presentation and to conform to current year presentation, principally including the reclassification of $23.0 million of Noncurrent Assets to Current Assets and $19.9 million of Noncurrent Liabilities to Current Liabilities related to current collections and obligations of Regulatory Assets and Regulatory Liabilities for 2008.

Recently Issued Pronouncements – In May 2009, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 165, "Subsequent Events", (SFAS No. 165), effective for interim and annual reporting periods ending after June 15, 2009. SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted SFAS No. 165 and it did not have an impact on the Company's Consolidated Financial Statements. The Company evaluated all events or transactions that occurred after June 30, 2009 up through July 23, 2009. During this period no material subsequent events came to our attention.

On April 9, 2009, the FASB issued FASB Staff Position No. FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (FSP FAS 107-1). FSP FAS 107-1 amends FASB Statement No. 107, "Disclosures about Fair Value of Financial Instruments" to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. FSG FAS 107-1 also amends Accounting Principles Board Opinion No. 28, "Interim Financial Reporting", to require those disclosures in summarized financial information at interim reporting periods. FSP FAS 107-1 is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The Company has adopted FSP FAS 107-1 and there was no impact on the Company's Consolidated Financial Statements. See Note 5 for relevant disclosures on the fair value of the Company's long-term debt.

On December 30, 2008, the FASB issued FASB Staff Position No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets", (FSP FAS 132(R)-1) to provide guidance on an employers' disclosures about plan assets of a defined benefit pension or other postretirement plan. The disclosures about plan assets required by FSP FAS 132(R)-1 are to be provided for fiscal years ending after December 15, 2009. The Company does not expect that the adoption of FSP FAS 132(R)-1 will have an impact on the Company's Consolidated Financial Statements.

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NOTE 2 – ACQUISITIONS

As discussed above, on December 1, 2008, the Company purchased (i) all of the outstanding capital stock of Northern Utilities from Bay State and (ii) all of the outstanding capital stock of Granite State from NiSource pursuant to the SPA dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil. The aggregate purchase price for the Acquisitions was $209.2 million, comprised of $160 million in cash, plus an additional working capital adjustment of $49.2 million. The largest component of working capital was approximately $30.0 million of natural gas storage inventory.

The Company accounted for the Acquisitions under the purchase method of accounting for business combinations, in accordance with FASB Statement No. 141, "Business Combinations" ("SFAS No. 141") and SFAS No. 71. Accordingly, the Company recognized its estimate of the bargain purchase price (see "Plant Acquisition Adjustment" in the table below) at December 1, 2008. The process of valuing the assets, liabilities and transaction, transition and financing costs as a result of the Acquisitions was substantially completed in the second quarter of 2009. As a result, the Company has recognized adjustments to its original estimate of the Plant Acquisition Adjustment (PAA) in the second quarter of 2009.

The adjusted PAA is ($24.2 million), a decrease of $4.1 million from the original estimate of ($28.3 million). The adjusted Transaction and Transition Costs is an increase of $5.4 million over the original estimate, reflecting additional costs to complete the acquisition and financing. Partially offsetting the decrease in the PAA estimate due to the additional Transaction and Transition Costs were subsequent payments, cash settlements between the purchaser and seller and other post-closing adjustments reflecting changes to working capital and Net Utility Plant.

The revised purchase price allocations are as follows:

Purchase Price Allocation
($ Millions)

		December 1, 2008
Equity Purchase Price	$	160.0
Plus: Working Capital Adjustment		49.2
Aggregate Purchase Price		209.2
Transaction and Transition Costs		13.0
Total Cash Purchase Price		222.2
Allocation To:		
Book Value of Net Utility Plant		(197.0)
Cash Acquired		(6.9)
Accounts Receivable and Other Current Assets		(21.7)
Accrued Revenue		(7.0)
Gas Inventory		(32.3)
Regulatory and Other Noncurrent Assets		(32.8)
Accounts Payable and Other Current Liabilities		20.0
Regulatory Liabilities		31.3
Plant Acquisition Adjustment	**$**	**(24.2)**

In accordance with settlement agreements between the Company, the New Hampshire Public Utilities Commission (NHPUC) and the Maine Public Utilities Commission (MPUC) regarding the Acquisitions, the Company has agreed (i) not to seek recovery of transaction and transition costs in rates and (ii) for regulatory accounting purposes, to amortize, over a ten year period, the transaction and transition costs co-terminus with the Plant Acquisition Adjustment.

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NOTE 3 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
06/18/09	08/14/09	07/31/09	$0.345
03/26/09	05/15/09	05/01/09	$0.345
01/15/09	02/16/09	02/02/09	$0.345
09/25/08	10/31/08	10/17/08	$0.345
06/19/08	08/15/08	08/01/08	$0.345
03/20/08	05/15/08	05/01/08	$0.345
01/17/08	02/15/08	02/01/08	$0.345

NOTE 4 – COMMON STOCK AND PREFERRED STOCK

Common Stock

As of August 21, 2008 the Company's common stock began trading on the New York Stock Exchange and ceased trading on the American Stock Exchange. The Company's common stock trades under the symbol, "UTL".

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the authorized shares of the Company's common stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's common stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. The Company had 10,816,312, 5,773,452 and 7,791,617 of common shares outstanding at June 30, 2009, June 30, 2008 and December 31, 2008, respectively.

Unitil Corporation Common Stock Offerings – On May 27, 2009, the Company issued and sold 2,400,000 shares of its common stock at a price of $20.00 per share in a registered public offering (2009 Offering). As part of the 2009 Offering, the Company granted the underwriters a 30-day option to purchase up to an additional 360,000 shares to cover any over-allotments. The underwriters exercised their over-allotment option and purchased an additional 300,000 shares of the Company's common stock in June 2009. The Company's net increase to Common Equity and Cash proceeds from the 2009 Offering, including the over-allotment were approximately $51.2 million (after payment of the underwriting discount, but excluding estimated offering expenses) and were used (i) to repay all amounts outstanding under the bridge credit facility (approximately $39.1 million) that the Company used to partially finance the acquisition of Northern Utilities and Granite State which closed on December 1, 2008, and related transaction costs and expenses and (ii) for other general corporate purposes, including capital contributions to Unitil's distribution utilities and repayment of short-term debt.

On December 15, 2008, the Company issued and sold 2,000,000 shares of its common stock at a price of $20.00 per share in a registered public offering (2008 Offering). The Company repaid $36.8 million outstanding under the bank financing facility for the Company's acquisitions of Northern Utilities and Granite State with the net proceeds from the sale and issuance of its common stock.

As part of the 2008 Offering, the Company granted the underwriters a 30-day option to purchase up to an additional 300,000 shares to cover any over-allotments. The underwriters exercised their over-allotment option and purchased an additional 270,000 shares of the Company's common stock in January 2009. The Company's net increase to Common Equity and Cash proceeds from the over-allotment sales were approximately $5.1 million (after payment of the underwriting discount, but excluding estimated offering expenses) and were used to repay a portion of the bank financing for the Company's acquisitions of Northern Utilities and Granite State and to repay other short-term indebtedness. The Company recorded the issuance of the 270,000 shares, the sale proceeds and the increase in Common Equity in January 2009.

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Dividend Reinvestment and Stock Purchase Plan – During the first six months of 2009, the Company sold 22,435 shares of its Common Stock, at an average price of $20.72 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $465,000 were used to reduce short-term borrowings.

During the first six months of 2008, the Company sold 14,889 shares of its Common Stock, at an average price of $27.76 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $413,000 were used to reduce short-term borrowings.

Restricted Stock Plan – The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 17, 2009, 32,260 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $661,007. Compensation expense associated with shares issued under the Plan is recognized ratably as the shares vest and was $0.3 million and $0.2 million for the six months ended June 30, 2009 and 2008, respectively. At June 30, 2009, there was approximately $1.4 million of total unrecognized compensation cost related to non-vested shares under the Plan which is expected to be recognized over approximately 3.1 years as the shares vest. During the six months ended June 30, 2009, 12,459 restricted shares vested. As of June 30, 2009 there were 52,019 unvested restricted shares.

Preferred Stock

Details on preferred stock at June 30, 2009, June 30, 2008 and December 31, 2008 are shown below:

(Amounts in Millions)

	June 30,		December 31,
	2009	**2008**	**2008**
Preferred Stock			
UES Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	**$ 0.2**	$ 0.2	$ 0.2
FG&E Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	**0.8**	0.8	0.8
8.00% Series, $100 Par Value	**1.0**	1.0	1.0
Total Preferred Stock	**$ 2.0**	$ 2.0	$ 2.0

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NOTE 5 – LONG-TERM DEBT, CREDIT ARRANGEMENTS AND GUARANTEES

Long-Term Debt

Details on long-term debt at June 30, 2009, June 30, 2008 and December 31, 2008 are shown below ($ Millions):

	June 30, 2009	June 30, 2008	December 31, 2008
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Northern Utilities Senior Notes:			
6.95% Senior Notes, Series A, Due December 3, 2018	**30.0**	—	30.0
7.72% Senior Notes, Series B, Due December 3, 2038	**50.0**	—	50.0
Granite State Senior Notes:			
7.15% Senior Notes, Due December 15, 2018	**10.0**	—	10.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due Through August 1, 2017	**4.5**	4.8	4.7
Total Long-Term Debt	**249.5**	159.8	249.7
Less: Current Portion	**0.4**	0.4	0.4
Total Long-term Debt, Less Current Portion	**$ 249.1**	$ 159.4	$ 249.3

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. In estimating the fair value of the Company's long-term debt, the assumed market yield reflects the Moody's Baa Utility Bond Average Yield for June 2009. The carrying value of the Company's long-term debt at June 30, 2009 is $249.5 million. The fair value of the Company's long-term debt at June 30, 2009 is estimated to be approximately $247.4 million, before considering any costs, including prepayment costs, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

On December 3, 2008, Northern Utilities completed the sale of $80 million of Senior Unsecured Notes, through a private placement to institutional investors. The debt financing included $50 million of 30-year notes with a coupon

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rate of 7.72% and $30 million of 10-year notes with a coupon rate of 6.95%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Northern Utilities.

On December 15, 2008, Granite State completed the sale of $10 million of Senior Unsecured Notes, through a private placement to institutional investors. The Notes have a term of 10 years maturity and a coupon rate of 7.15%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Granite State.

Credit Arrangements

At June 30, 2009, the Company had $30.6 million in short-term debt outstanding through bank borrowings under its revolving credit agreement. The revolving credit agreement also contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of June 30, 2009, the Company was in compliance with financial covenants contained in the revolving credit agreement.

On November 1, 2008, Northern Utilities entered into a gas storage management agreement pursuant to which (i) Northern Utilities released certain pipeline and storage capacity to an asset manager from November 1, 2008 through April 30, 2009 and (ii) the asset manager financed inventories associated with the released storage capacity from Northern Utilities contemporaneously with the closing of the Acquisitions. Pursuant to the agreement, Northern Utilities repurchased the storage inventory over the course of the 2008/2009 winter heating season at the same price initially paid by the asset manager. Effective May 1, 2009, Northern entered into a subsequent gas storage management agreement which provides for refilling the storage inventory between May 1, 2009 and October 31, 2009. Similar to the prior agreement, the asset manager is maintaining the cost of the inventory. On October 31, 2009, at the end of the refill period, Northern will purchase the inventory associated with this storage asset. There was $3.1 million and $24.0 million outstanding at June 30, 2009 and December 31, 2008, respectively, related to these agreements.

Guarantees

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of June 30, 2009 there are $18.3 million of guarantees outstanding and the longest of these guarantees extends through December 31, 2010. These guarantees are not required to be recorded under the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others."

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of June 30, 2009, the principal amount outstanding for the 8% Unitil Realty notes was $4.5 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite State notes due 2018. As of June 30, 2009, the principal amount outstanding for the 7.15% Granite State notes was $10.0 million. This guarantee will terminate if Granite State reorganizes and merges with and into Northern Utilities.

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NOTE 6 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three and six months ended June 30, 2009 and June 30, 2009 (Millions):

Three Months Ended:	Electric	Gas	Other	Non-Regulated	Total
June 30, 2009					
Revenues	**$ 47.0**	**$ 23.4**	**$ —**	**$ 1.1**	**$ 71.5**
Segment Profit (Loss)	**(0.2)**	**(0.5)**	**0.5**	**0.4**	**0.2**
Capital Expenditures	**1.8**	**6.3**	**—**	**—**	**8.1**
June 30, 2008					
Revenues	$ 52.0	$ 6.6	$ —	$ 0.8	$ 59.4
Segment Profit (Loss)	2.0	(0.3)	(0.1)	—	1.6
Capital Expenditures	5.4	0.2	0.1	—	5.7
Six Months Ended:					
June 30, 2009					
Revenues	**$ 109.1**	**$ 95.8**	**$ —**	**$ 2.2**	**$ 207.1**
Segment Profit (Loss)	**1.3**	**7.1**	**0.1**	**0.8**	**9.3**
Capital Expenditures	**15.1**	**10.9**	**0.1**	**—**	**26.1**
Segment Assets	**344.4**	**338.9**	**10.4**	**0.8**	**694.5**
June 30, 2008					
Revenues	$ 108.6	$ 20.9	$ —	$ 1.8	$ 131.3
Segment Profit (Loss)	2.5	2.5	(0.2)	0.1	4.9
Capital Expenditures	9.6	0.5	0.1	—	10.2
Segment Assets	326.2	108.5	27.9	1.0	463.6

NOTE 7 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2008 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 18, 2009.

Legal Proceedings

A putative class action Complaint was filed against Fitchburg on January 7, 2009 in Worcester Superior Court in Worcester, Massachusetts, captioned Bellerman v. Fitchburg Gas and Electric Light Company. On April 1, 2009 an Amended Complaint was filed in Worcester Superior Court and served on Fitchburg. The Amended Complaint seeks an unspecified amount of damages including the cost of temporary housing and alternative fuel sources, emotional and physical pain and suffering and property damages allegedly incurred by customers in connection with the loss of electric service during the ice storm in Fitchburg's service territory in December, 2008. The Amended Complaint includes M.G.L. ch. 93A claims for purported unfair and deceptive trade practices related to the December 2008 Storm. The Company believes the suit is without merit, and will defend itself vigorously.

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Regulatory Matters

Major Ice Storm – On December 11 and 12, 2008, a severe ice storm struck the New England region, causing extensive damage to electric facilities and loss of service to significant numbers of customers of several utilities. An estimated one million electric customers in the region were affected, including all of Unitil's 28,000 Massachusetts customers, and approximately half of its New Hampshire customers. Fitchburg was able to restore power to one-third of its Massachusetts customers within three days, 80 percent of its customers by day seven, and the final Massachusetts customers, including those with individual service problems, were restored by December 24, 2008. On January 7, 2009, the MDPU opened an investigation into the preparation and response of the Massachusetts electric distribution companies to the December 12, 2008 Winter Storm. Evidentiary hearings before the MDPU concerning Fitchburg's storm response were held in May, 2009. After the hearing, the Massachusetts Attorney General recommended that the MDPU assess fines against Fitchburg totaling $4.65 million as penalties for Fitchburg's performance during and after the storm. Fitchburg has argued that the Attorney General's recommendation is not supported by the evidence, is contrary to the record of the Company's actual performance, and incorrectly interprets the authority of the MDPU to assess such penalties. A decision by the MDPU regarding the results of its investigation and the recommendation of the Attorney General remains pending.

Based on its preliminary assessment, the Company has accrued and deferred as a regulatory asset, excluding capital construction expenditures, approximately $12.5 million in costs for the repair and replacement of electric distribution systems damaged during the storm. The amount and timing of the cost recovery of these storm restoration expenditures will be determined in future regulatory proceedings. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations.

Fitchburg – Electric Division – On November 26, 2008, Fitchburg submitted its annual reconciliation of costs and revenues for Transition, Transmission, Standard Offer Service, and Default Service filed under its restructuring plan (the Annual Reconciliation Filing). The rates were approved effective January 1, 2009, subject to reconciliation pursuant to the MDPU's investigation. This matter remains pending before the MDPU.

Fitchburg – Gas Operations – On March 12, 2009, the MDPU opened an investigation into Fitchburg's gas procurement practices. The purpose of this investigation is to determine: (1) whether Fitchburg has engaged in a purchasing program to mitigate the volatility of gas commodity prices without MDPU approval; and, if so, (2) an appropriate remedy, including whether Fitchburg's ratepayers are entitled to reimbursement for any gas supply costs that are higher than they would have been absent such purchasing program. The Company believes that its gas procurement practices have been and remain in compliance and consistent with all relevant MDPU rules and orders and Massachusetts law, and does not believe that the investigation will have a material adverse impact upon the Company's financial condition or the results of its operations. Evidentiary hearings were concluded in June 2009. The Massachusetts Attorney General, an intervener in the MDPU investigation, has argued that Fitchburg was required to obtain MDPU approval of its gas purchasing program, and has recommended that Fitchburg refund to ratepayers $863,368 of gas supply costs. Fitchburg disagrees with the Attorney General's analysis and conclusions and believes that the refund recommendation is without precedent and contrary to the evidence. A decision by the MDPU is expected by the end of the year. This matter remains pending.

Fitchburg – Other – On February 11, 2009, the MA Supreme Judicial Court (SJC) issued its decision in the Attorney General's (AG) appeal of the MDPU orders relating to Fitchburg's recovery of bad debt expense. The SJC agreed with the AG that the MDPU was required to hold hearings regarding changes in Fitchburg's tariff and rates, and on that basis vacated the MDPU orders. The Court, however, declined to rule on an appropriate remedy, and remanded the cases back to the MDPU for consideration of that issue. This matter remains pending before the MDPU.

On July 2, 2008, the Governor of Massachusetts signed into law "The Green Communities Act" (the GC Act), an energy policy legislation designed to substantially increase energy efficiency and the development of renewable energy resources in Massachusetts. The GC Act provides for utilities to recover in rates the incremental costs associated with its various mandated programs. Several regulatory proceedings have been initiated to implement various provisions of the GC Act, including provisions for each distribution company to file enhanced

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energy efficiency investment plans, plans to establish smart grid pilot programs, and special tariffs to allow the net metering of customer-owned renewable generation. This matter remains pending.

Unitil Energy – On June 17, 2009, UES made its annual reconciliation and rate filing with the NHPUC under its restructuring plan, for rates effective August 1, 2009, including reconciliation of prior year costs and revenues. This matter remains pending.

Northern Utilities – Notices of Probable Violation – Beginning in October 2007, the MPUC initiated formal investigations into a number of Notices of Probable Violation (NOPVs) alleging that Northern Utilities had violated various provisions of the federal pipeline safety regulations, as adopted by the MPUC. Northern Utilities, the MPUC Staff and Unitil filed a comprehensive settlement (Settlement), which was approved by the MPUC on November 21, 2008, resolving these matters. Under the Settlement, Northern Utilities will incur total expenditures of approximately $3.8 million for certain safety related improvements for which no rate recovery will be allowed and obligations to be undertaken for Northern Utilities' distribution system to ensure compliance with the relevant state and federal gas safety laws. These compliance costs were accrued by Northern Utilities prior to the acquisition date and the remaining amount on the Company's balance sheet at June 30, 2009 was $2.3 million.

Northern Utilities – New Hampshire 2007/2008 Winter Cost of Gas – On October 31, 2007, the NHPUC issued Order No. 24,798 concerning the 2007/2008 winter cost of gas proceeding for Northern Utilities' New Hampshire division. In that order, the NHPUC noted that Northern Utilities had identified an unusually high level of lost and unaccounted for gas (UAFG), and ordered Northern Utilities to file a detailed report concerning its investigation of this matter. Through its investigation, Northern Utilities determined that the UAFG affected both its New Hampshire and Maine divisions, and that the cause appeared to be incorrect metering at the Maritimes & Northeast (M&NE) / Portland Natural Gas Transmission System's (PNGTS) Newington Gate Station caused by an erroneous meter module change. The metering equipment was operated and maintained by a third party, Spectra Energy, the parent company of M&NE. PNGTS and M&NE share joint ownership of the section of the pipeline connected to Granite State at the Newington Gate Station. The error caused Granite State to be billed for 758,702 Dth of natural gas, with Granite State then billing Northern Utilities for an equivalent amount, although the volumes of gas were not actually delivered. The meter error was corrected and Northern Utilities, Granite State, Spectra Energy and PNGTS reached an agreement whereby PNGTS will provide to Northern Utilities, through Granite State, gas volumes equal to the misread amounts to correct for the error, over a period of approximately 18 months. Both the NHPUC and the MPUC have approved this arrangement, as well as Northern Utilities' methodology for allocating the gas received to its Maine and New Hampshire divisions based upon the actual gas use over the period the meters were misread. As of June 30, 2009, Northern Utilities has recorded approximately $1.7 million reflecting the anticipated liability of the future refund amount based on current market prices, with an offsetting receivable from Granite State, and Granite State has recorded a receivable from PNGTS for this amount.

Northern Utilities – Maine Capacity Costs – In its October 28, 2008 approval of Northern Utilities' Maine Division's Cost of Gas Factor for the 2008-2009 Winter Period, the MPUC approved recovery of an additional $0.5 million of annual demand costs that had been inadvertently omitted from Northern Utilities' reconciliation of the 2008-2009 Winter Period rates, although analogous costs had been included in its calculation of 2007-2008 Winter Period rates. The MPUC determined that recovery of these Local Production Capacity Costs was consistent with previous MPUC orders and the $0.5 million was recovered in Northern Utility's rates in Maine between November 1, 2008 and April 30, 2009.

Northern Utilities also reported that, upon investigation, these annual demand costs, though approved, were incorrectly excluded from its reconciliation for five previous annual periods. The total impact for the five years is $2.4 million. On November 7, 2008, Northern Utilities, prior to the completion of the acquisition by Unitil, filed a request with the MPUC seeking an accounting order allowing it to defer and amortize for recovery these unrecovered gas costs over a three year period. In its Order dated July 1, 2009, the MPUC denied Northern's request for an accounting order and denied Northern's recovery of the unrecovered annual demand gas costs in future rates. Based on the uncertainty of the outcome of this proceeding, the Company had not recorded a regulatory asset related to this matter and therefore the MPUC's Order does not adversely impact the Company's financial statements.

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NOTE 8 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2008 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 18, 2009.

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company believes it is in compliance with applicable environmental and safety laws and regulations, and the Company believes that as of June 30, 2009, there were no material losses reasonably likely to be incurred in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included on the Company's Consolidated Balance Sheet at June 30, 2009 are current and non-current accrued liabilities totaling $10.8 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant (MGP) site at Sawyer Passway, located in Fitchburg, Massachusetts. The amounts recorded do not assume any amounts are recoverable from insurance companies or other third parties. Also included on the Company's Consolidated Balance Sheet at June 30, 2009 are current and non-current accrued liabilities totaling $2.4 million associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were recorded to reflect that the recovery of these environmental remediation costs is probable through the regulatory process.

NOTE 9 – RETIREMENT BENEFIT OBLIGATIONS

The Company sponsors the following retirement benefit plans to provide certain pension and postretirement benefits for its retirees and current employees as follows:

- The Unitil Corporation Retirement Plan (Pension Plan) – The Pension Plan is a defined benefit pension plan covering substantially all of its employees. Under the Pension Plan, retirement benefits are based upon an employee's level of compensation and length of service.
- The Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan) – The PBOP Plan provides health care and life insurance benefits to retirees. The Company has established Voluntary Employee Benefit Trusts (VEBT), into which it funds contributions to the PBOP Plan.
- The Unitil Corporation Supplemental Executive Retirement Plan (SERP) – The SERP is an unfunded retirement plan, with participation limited to executives selected by the Board of Directors.

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The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2009	2008
Used to Determine Plan Costs		
Discount Rate	**6.25%**	6.00%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.00%**	8.50%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2017
	2008	**2007**
Used to Determine Benefit Obligations:		
Discount Rate	**6.25%**	6.00%
Rate of Compensation Increase	**3.50%**	3.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.00%**	8.50%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health care Cost Trend Rate is reached	**2017**	2017

The following table provides the components of the Company's Retirement plan costs ($000's):

	Pension Plan		PBOP Plan		SERP	
Three Months Ended June 30,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Service Cost	**$ 571**	$ 488	**$ 357**	$ 355	**$ 54**	$ 37
Interest Cost	**1,074**	943	**579**	559	**45**	31
Expected Return on Plan Assets	**(1,108)**	(1,094)	**(89)**	(82)	**—**	—
Prior Service Cost Amortization	**66**	27	**428**	341	**(1)**	—
Transition Obligation Amortization	**—**	—	**5**	6	**—**	—
Actuarial Loss Amortization	**399**	319	**—**	—	**18**	6
Sub-total	**1,002**	683	**1,280**	1,179	**116**	74
Amounts Capitalized and Deferred	**(364)**	(246)	**(442)**	(513)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 638**	$ 437	**$ 838**	$ 666	**$ 116**	$ 74

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Six Months Ended June 30,	Pension Plan 2009	Pension Plan 2008	PBOP Plan 2009	PBOP Plan 2008	SERP 2009	SERP 2008
Service Cost	**$ 1,142**	$ 976	**$ 714**	$ 710	**$ 108**	$ 74
Interest Cost	**2,147**	1,887	**1,157**	1,118	**90**	63
Expected Return on Plan Assets	**(2,216)**	(2,187)	**(178)**	(163)	**—**	—
Prior Service Cost Amortization	**132**	54	**856**	681	**(1)**	—
Transition Obligation Amortization	**—**	—	**10**	11	**—**	—
Actuarial Loss Amortization	**798**	638	**—**	—	**36**	12
Sub-total	**2,003**	1,368	**2,559**	2,357	**233**	149
Amounts Capitalized and Deferred	**(646)**	(447)	**(800)**	(952)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 1,357**	$ 921	**$ 1,759**	$ 1,405	**$ 233**	$ 149

Employer Contributions

On August 17, 2006, the Pension Protection Act of 006 (PPA) was signed into law. Included in the PPA are new minimum funding rules which will go into effect for plan years beginning in 2008. The funding target will be 100% of a plan's liability with any shortfall amortized over seven years, with lower (92%—100%) funding targets available to well-funded plans during the transition period. The Company expects to contribute approximately $4.0 million to fund its Pension Plan in 2009.

As of June 30, 2009, the Company had made $0.5 million and $26,000 of contributions to the PBOP and SERP Plans, respectively, in 2009. The Company presently anticipates contributing an additional $2.3 million and $27,000 to the PBOP and SERP Plans, respectively, in 2009.

NOTE 10 – INCOME TAXES

The Company bills its customers sales tax in Massachusetts and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2008 and for the current interim reporting period ended June 30, 2009 in accordance with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), an interpretation of FAS 109, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by FIN 48 is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2005; December 31, 2006; and December 31, 2007. Income tax filings for the year ended December 31, 2008 have been extended until September 15, 2009. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no material interest and penalties recognized in the statement of earnings or accrued on the balance sheet.

NOTE 11 – UNAUDITED PRO FORMA FINANCIAL DATA RELATED TO ACQUISITIONS

On December 1, 2008, the Company acquired Northern Utilities and Granite State, as discussed in Note 1. Had the results of operations for Northern Utilities and Granite State been combined with the Company as of the beginning of 2008, the Company's pro forma results for the three and six months ended June 30, 2008 would have been as follows:

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(Millions, except per share amounts) (Unaudited)		Three Months Ended June 30, 2008		Six Months Ended June 30, 2008
Revenues	$	79.7	$	206.1
Earnings (Loss) Applicable to Common Shareholders	$	(0.4)	$	7.1
Earnings (Loss) per Share				
Basic	$	(0.04)	$	0.66
Diluted	$	(0.04)	$	0.66

The Unaudited Pro Forma Financial Data include non-recurring charges to operating expenses of $1.2 million, after tax, related to compliance violation penalties incurred by Northern Utilities in the second quarter of 2008.

The Unaudited Pro Forma Financial Data are presented for illustrative purposes only and do not indicate the financial results of the combined companies had the companies actually been combined and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered, and is not intended to be a projection of future results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 7 and 8 to the Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

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Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2008 as filed with the SEC on February 18, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended June 30, 2009.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), adopted by the Company on March 26, 2009, the Company periodically repurchases shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. The Company may suspend or terminate its Rule 10b5-1 trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws. There is no pool or maximum number of shares related to these purchases; however, the trading plan will terminate when $83,000 in value of shares have been purchased or, if sooner, on March 26, 2010.

The Company's repurchases are shown in the table below for the monthly periods noted:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
4/1/09 – 4/30/09	—	—	—
5/1/09 – 5/31/09	—	—	—
6/1/09 – 6/30/09	373	$ 20.03	373
Total	373	$ 20.03	373

Item 5. Other Information

On July 23, 2009, the Company issued a press release announcing its results of operations for the three- and six-month periods ended June 30, 2009. The press release is furnished with this Quarterly Report on Form 10-Q as Exhibit 99.1.

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Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation of Earnings per Weighted Average Common Share Outstanding	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated July 23, 2009 Announcing Earnings For the Quarter Ended June 30, 2009.	Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	UNITIL CORPORATION
	(Registrant)
Date: July 24, 2009	/s/ Mark H. Collin
	Mark H. Collin
	Chief Financial Officer
Date: July 24, 2009	/s/ Laurence M. Brock
	Laurence M. Brock
	Chief Accounting Officer

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EXHIBIT INDEX

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99.1	Unitil Corporation Press Release Dated July 23, 2009 Announcing Earnings For the Quarter Ended June 30, 2009.	Filed herewith

EXHIBIT 11

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER WEIGHTED AVERAGE COMMON SHARE OUTSTANDING

(Millions except common shares and per share data)

(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	**2008**	**2009**	**2008**
Net Income	**$ 0.3**	$ 1.7	**$ 9.4**	$ 5.0
Less: Dividend Requirements on Preferred Stock	**0.1**	0.1	**0.1**	0.1
Net Income Applicable to Common Stock	**$ 0.2**	$ 1.6	**$ 9.3**	$ 4.9
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**9,014**	5,736	**8,516**	5,728
Dilutive Effect of Stock Options and Restricted Stock (000's)	**—**	5	**—**	5
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**9,014**	5,741	**8,516**	5,733
Earnings Per Share – Basic	**$ 0.03**	$ 0.28	**$ 1.10**	$ 0.85
Earnings Per Share – Diluted	**$ 0.03**	$ 0.28	**$ 1.10**	$ 0.85

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2009
/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2009
/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2009
/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending June 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	July 24, 2009
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	July 24, 2009
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	July 24, 2009

Exhibit 99.1

Contact: Mark H. Collin
Phone: 603-773-6612
Fax: 603-773-6605
Email: collin@unitil.com

Unitil Reports Second Quarter Earnings

Hampton, NH – July 23, 2009: Unitil Corporation (NYSE: UTL) (www.unitil.com) today announced Earnings Applicable to Common Shareholders of $0.2 million for the second quarter of 2009, compared to earnings of $1.6 million for the second quarter of 2008. Earnings per common share (EPS) were $0.03 for the three months ended June 30, 2009 compared with $0.28 in the second quarter of 2008. For the six months ended June 30, EPS were $1.10 for 2009 compared to $0.85 for 2008, an increase of $0.25 per share, or 29%, reflecting the positive impact from the acquisition of Northern Utilities, Inc. (Northern Utilities) and Granite State Gas Transmission, Inc. (Granite State). Earnings in the second quarter reflect higher gas utility sales margins offset by lower electric utility sales margins and higher operating, depreciation and interest costs in the quarter as well as a higher number of average shares outstanding year over year, discussed below.

"We saw the positive impact of the Northern Utilities and Granite State acquisition on the Company's earnings for the six month period ending in June, while the quarterly results show the greater seasonality due to our diverse portfolio of gas and electric business operations," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "We have also completed the planned financings associated with the acquisition and successfully transitioned all key business operations for Northern Utilities and Granite State to Unitil's systems and processes."

As a result of the acquisitions of Northern Utilities and Granite State on December 1, 2008, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company expects that consolidated results of operations in current and future reporting periods will reflect to a greater degree the seasonal nature of the natural gas business by the acquired operating utilities. Accordingly, the Company expects that as a result of the acquisitions, consolidated results of operations will be positively affected during the first and fourth quarters, and negatively affected during the second and third quarters of current and future reporting years.

Natural gas sales margin increased $8.4 million and $26.5 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the contribution by Northern Utilities, the Company's recently acquired local gas distribution utility. Natural gas sales in the six month period ended June 30, 2009 reflect a colder winter heating season this year. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

Electric sales margin decreased $1.6 million and $0.3 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008, reflecting lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 6.8% and 5.7% in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008 due to lower average usage by our customers reflecting the continued regional economic slowdown.

Selected Financial Data for 2009 is presented in the following table:

Unitil Corporation - Condensed Financial Data

(Millions, except Per Share data) (Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2009	**2008**	**Change**	**2009**	**2008**	**Change**
Gas Therm Sales: (a)						
Residential	6.9	2.1	228.6%	26.2	6.9	279.7%
Commercial/Industrial	28.5	4.1	595.1%	86.6	10.9	694.5%
Total Gas Therm Sales	**35.4**	**6.2**	**471.0%**	**112.8**	**17.8**	**533.7%**
Electric kWh Sales:						
Residential	141.1	147.5	(4.3%)	321.7	329.9	(2.5%)
Commercial/Industrial	233.2	254.0	(8.2%)	475.3	515.1	(7.7%)
Total Electric kWh Sales	**374.3**	**401.5**	**(6.8%)**	**797.0**	**845.0**	**(5.7%)**
(a) 2009 Gas Therm Sales include Northern Utilities, Inc., acquired on December 1, 2008.						
Gas Revenues	$ 23.4	$ 6.6	$ 16.8	$ 95.8	$ 20.9	$ 74.9
Purchased Gas	12.4	4.0	8.4	61.4	13.0	48.4
Gas Sales Margin	**11.0**	**2.6**	**8.4**	**34.4**	**7.9**	**26.5**
Electric Revenues	47.0	52.0	(5.0)	109.1	108.6	0.5
Purchased Electricity	34.2	37.6	(3.4)	81.9	81.1	0.8
Electric Sales Margin	**12.8**	**14.4**	**(1.6)**	**27.2**	**27.5**	**(0.3)**
Usource Sales Margin	**1.1**	**0.8**	**0.3**	**2.2**	**1.8**	**0.4**
Total Sales Margin:	**24.9**	**17.8**	**7.1**	**63.8**	**37.2**	**26.6**
Operation & Maintenance Expenses	12.0	7.0	5.0	22.4	11.7	10.7
Depreciation, Amortization & Other	9.0	6.9	2.1	23.6	15.7	7.9
Interest Expense, Net	3.7	2.3	1.4	8.5	4.9	3.6
Earnings App. to Common Shareholders:	**$ 0.2**	**$ 1.6**	**$ (1.4)**	**$ 9.3**	**$ 4.9**	**$ 4.4**
Earnings Per Share	**$ 0.03**	**$ 0.28**	**$ (0.25)**	**$ 1.10**	**$ 0.85**	**$ 0.25**

Operation & Maintenance (O&M) expenses increased $5.0 million and $10.7 million for the three and six months ended June 30, 2009, respectively, compared to the same period in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $4.3 million of the increase in the six month period. For the six month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees expense of $1.9 million, primarily related to the internal review and legal and regulatory proceedings associated with the ice storm of December 2008, higher compensation and employee benefit expenses of $0.6 million and higher other utility operating costs of $1.1 million contributed to the increase in O&M expenses. The increase in O&M expenses for the six month period also reflects higher insurance costs in 2009 compared to the same period in 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Depreciation, Amortization, Taxes and Other expenses increased $2.1 million and $7.9 million in the three and six months ended June 30, 2009, respectively, compared to the same periods in 2008. The increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs.

Interest Expense, Net, increased $1.4 million and $3.6 million in the three and six month periods ended June 30, 2009, respectively, compared to the same periods in 2008. These increases are primarily due to the addition of Northern Utilities and Granite State, reflecting the issuance of long-term notes by Northern Utilities and Granite State in December 2008. In addition, these increases in Interest Expense, Net, reflect higher average borrowings in the current periods.

Also in the second quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

Between December 2008 and June 2009, the Company issued and sold 4,970,000 shares of its common stock, including its underwriters' exercise of overallotment options to purchase an additional 570,000 shares, at a price of $20.00 per share in registered public offerings. The Company used net proceeds of $93.1 million from these offerings (i) to repay all amounts outstanding under the bridge credit facility that the Company used to partially finance the acquisition of Northern Utilities and Granite State that closed on December 1, 2008 and (ii) for other general corporate purposes, including capital contributions to Unitil's distribution utilities and repayment of short-term debt. Overall, the positive results of operations and net income are reflected over a higher number of average shares outstanding year over year.

About Unitil

Unitil is a public utility holding company with subsidiaries providing electric and natural gas distribution service in New Hampshire and Massachusetts, natural gas distribution service in Maine and energy services throughout the northeast. Unitil serves approximately 170,000 utility customers in three states. Its utility affiliates include Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Northern Utilities, Inc. and Granite State Gas Transmission, Inc. Its other subsidiaries include Unitil Service Corp. and its non-regulated business segment doing business as Usource.

This press release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. All statements, other than statements of historical fact, are forward-looking statements. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to the following: variations in weather; changes in the regulatory environment; customers' preferences on energy sources; general economic conditions; increased competition; fluctuations in supply, demand, transmission capacity and prices for energy commodities; and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of Unitil Corporation.

For more information, visit Unitil at www.unitil.com or call Mark Collin at 603-773-6612.

UNITIL CORP (UTL)

10-Q

Quarterly report pursuant to sections 13 or 15(d)
Filed on 10/23/2009
Filed Period 09/30/2009

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended September 30, 2009

Commission File Number 1-8858

UNITIL CORPORATION
(Exact name of registrant as specified in its charter)

New Hampshire	**02-0381573**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6 Liberty Lane West, Hampton, New Hampshire	**03842-1720**
(Address of principal executive office)	**(Zip Code)**

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 22, 2009
Common Stock, No par value	**10,826,827 Shares**

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended September 30, 2009

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PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company headquartered in Hampton, New Hampshire. Unitil is subject to regulation as a holding company system by the Federal Energy Regulatory Commission (the "FERC") under the Energy Policy Act of 2005.

Unitil's principal business is the local distribution of electricity and natural gas throughout its service territory in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly owned distribution utilities: (i) Unitil Energy Systems, Inc. (Unitil Energy), which provides electric service in the southeastern seacoast and state capital regions of New Hampshire, including the city of Concord, New Hampshire; (ii) Fitchburg Gas and Electric Light Company (Fitchburg), which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and (iii) Northern Utilities, Inc. (Northern Utilities), which provides natural gas service in southeastern New Hampshire, including the city of Portsmouth, and portions of southern and central Maine, including the city of Portland. In addition, Unitil is the parent company of Granite State Gas Transmission, Inc. (Granite State), an interstate natural gas transmission pipeline company that principally provides interstate natural gas pipeline access and transportation services to Northern Utilities in its New Hampshire and Maine service territory.

The Company's distribution utilities serve approximately 100,300 electric customers and 69,300 natural gas customers in their service territory. The Company's distribution utilities are local "pipes and wires" operating companies and, combined with Granite State, had an investment in Net Utility Plant of $437.9 million at September 30, 2009. The Company does not own or operate electric generating facilities and substantially all of the Company's utility assets are dedicated to the local delivery of electricity and natural gas to its customers. Substantially all of Unitil's revenue is derived from regulated utility operations.

On December 1, 2008, Unitil purchased (i) all of the outstanding capital stock of Northern Utilities from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite State from NiSource Inc. (NiSource) pursuant to the Stock Purchase Agreement dated as of February 15, 2008 by and among NiSource, Bay State and Unitil (the "Acquisitions"). Bay State is a wholly owned subsidiary of NiSource. The aggregate purchase price for the Acquisitions was $160 million in cash, plus an additional working capital adjustment of $49.2 million, including approximately $30.0 million of natural gas storage inventory. To finance the Acquisitions and recapitalize Northern Utilities and Granite State, the Company issued additional equity and debt.

A fifth wholly owned subsidiary, Unitil Power Corp. (Unitil Power), formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of substantially all of its long-term power supply contracts through the sale of the entitlements to the electricity associated with those contracts.

The Company also has three other wholly owned subsidiaries: Unitil Service Corp. (Unitil Service); Unitil Realty Corp. (Unitil Realty); and Unitil Resources, Inc. (Unitil Resources). Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and energy supply management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire. Unitil Resources is the Company's wholly owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, "Usource") are indirect subsidiaries that are wholly owned by Unitil Resources. Usource provides energy brokering and advisory services to large commercial and industrial customers in the northeastern United States.

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RATES AND REGULATION

Unitil is subject to comprehensive regulation by federal and state regulatory authorities. Unitil and its subsidiaries are subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005 in regards to certain bookkeeping, accounting and reporting requirements. Unitil's utility operations related to wholesale and interstate energy business activities are also regulated by FERC. Unitil's distribution utilities are subject to regulation by the applicable state public utility commissions, in regards to their rates, issuance of securities and other accounting and operational matters: Unitil Energy is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC); Fitchburg is subject to regulation by the Massachusetts Department of Public Utilities (MDPU); and Northern Utilities is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's distribution utilities deliver electricity and/or natural gas to all customers in their service territory, at rates established under traditional cost of service regulation. Under this regulatory structure, Unitil's distribution utilities recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. As a result of a restructuring of the utility industry in New Hampshire, Massachusetts and Maine, Unitil's customers have the opportunity to purchase their electricity or natural gas supplies from third party suppliers. A majority of Unitil's largest commercial and industrial (C&I) customers purchase their electric and natural gas supplies from third party suppliers. However, most residential and small customers continue to purchase their electric and natural gas supplies through Unitil's distribution utilities. Unitil's distribution utilities purchase electricity or natural gas from unaffiliated wholesale suppliers and recover the actual costs of these supplies on a pass-through basis, as well as certain costs associated with industry restructuring, through reconciling rate mechanisms that are periodically adjusted.

The regulatory process in both New Hampshire and Maine, in connection with those states' approvals of the Acquisitions, included the negotiation and filing of settlement agreements reflecting commitments by Unitil with respect to Northern Utilities' rates, customer service and operations. The settlement agreements were separately negotiated and filed in each state but reflect a number of common features. For additional discussion, please refer to Unitil's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 18, 2009.

CAUTIONARY STATEMENT

This report and the documents the Company incorporates by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's and its management's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include those described in Part II, Item 1A (Risk Factors) and the following:

- The Company's ability to integrate the business, operations and personnel of Northern Utilities and Granite State and to achieve the estimated potential synergy savings attributable to the Acquisitions;
- The Company's ability to retain existing customers and gain new customers;
- Variations in weather;
- Major storms;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;

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- General economic conditions, including recent distress in the financial markets that has had an adverse impact on the availability of credit and liquidity resources generally and could jeopardize certain of the Company's counterparty obligations, including those of Unitil's insurers and financial institutions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' performance under multi-year energy brokering contracts.

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

ACCOUNTING PRONOUNCEMENTS

In June 2009, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles", (SFAS No. 168), a replacement of SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. SFAS No. 168 is effective for financial statements for interim and annual periods ending after September 15, 2009. SFAS No. 168 establishes the FASB Accounting Standards Codification (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The purpose of the Codification is to simplify U.S. GAAP, without change, by consolidating the numerous accounting rules into logically organized topics. The Company has adopted SFAS No. 168 and therefore all references by the Company to authoritative accounting principles recognized by the FASB reflect the Codification.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended September 30, 2009 and September 30, 2008 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Part I, Item 1 of this report.

As a result of the acquisitions of Northern Utilities and Granite State, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company's results will reflect the seasonal nature of the natural gas business. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Earnings Overview

The Company's Earnings Applicable to Common Shareholders was a loss of ($0.6) million for the third quarter of 2009, compared to earnings of $1.5 million for the third quarter of 2008. Earnings (loss) per common share (EPS) were ($0.06) for the three months ended September 30, 2009 compared with $0.27 in the third quarter of 2008. For the nine months ended September 30, 2009, the Company reported net income of $8.7 million, an increase of $2.3 million over the same period of 2008, reflecting the acquisitions of Northern Utilities and Granite State. EPS for the nine months ended September 30 were $0.94 for 2009 compared to $1.12 for 2008, reflecting a higher number of average shares outstanding year over year, discussed below.

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Between December 2008 and June 2009, the Company sold 4,970,000 shares of its common stock at a price of $20.00 per share in registered public offerings. The Company used the net proceeds of $93.1 million from these offerings to finance the acquisition of Northern Utilities and Granite State and for capital contributions to Unitil's other distribution utilities and the repayment of short-term debt. Overall, the results of operations and net income are reflected over a higher number of average shares outstanding year over year.

Earnings in the third quarter reflect higher gas utility sales margins offset by higher operating, depreciation and interest costs in the quarter as well as a higher number of average shares outstanding year over year, discussed above. Natural gas sales margin increased $5.9 million and $32.4 million in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the contribution by Northern Utilities, the Company's recently acquired local gas distribution utility. Natural gas sales in the nine month period ended September 30, 2009 reflect a colder winter heating season this year. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

Electric sales margin increased $0.2 million in the three months ended September 30, 2009 compared to the same period in 2008, reflecting higher rates offset by lower sales. For the nine months ended September 30, 2009, electric sales margin decreased $0.1 million, compared to the same period in 2008, reflecting lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 4.5% and 5.3% in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008 due to lower average usage by our customers reflecting the continued regional economic slowdown and milder summer weather in 2009.

Total Operation & Maintenance (O&M) expenses increased $5.0 million and $15.7 million for the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $7.7 million of the increase in the nine month period. For the nine month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees expense of $2.3 million, including $2.0 million of costs related to the December ice storm discussed below, higher compensation and employee benefit expenses of $1.3 million and higher utility operating costs of $1.6 million contributed to the increase in O&M expenses. The increase in O&M expenses for the nine month period also reflects higher insurance costs in 2009 compared to the same period in 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Depreciation, Amortization, Taxes and Other expenses increased $1.5 million and $9.4 million in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. The increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs and lower income taxes on lower pre-tax earnings for the three month period.

Interest Expense, Net increased $1.6 million and $5.2 million in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2009. These increases are primarily due to the addition of Northern Utilities and Granite State, reflecting the issuance of long-term notes by Northern Utilities and Granite State in December 2008. In addition, these increases in Interest Expense, Net reflect higher average borrowings in the current periods.

Usource, our non-regulated energy brokering business, recorded revenues of $1.0 million and $3.2 million in the three and nine month periods ended September 30, 2009, respectively, a decrease of $0.1 million and an increase of $0.3 million compared to the same periods of 2008. Usource's revenues are primarily derived from fees and charges billed to suppliers as customers take delivery of energy from these suppliers under term contracts brokered by Usource.

On December 11 and 12, 2008, a severe ice storm struck the New England region, creating extended power outages for many residents of Massachusetts and New Hampshire, including Unitil's electric customers in New Hampshire and the greater Fitchburg, Massachusetts service territory. Based on its preliminary assessment, the Company has accrued and deferred, excluding capital construction expenditures, approximately $14.1 million in costs for the repair and replacement of electric distribution systems damaged during the storm. The amount and timing of the cost recovery of these storm restoration expenditures will be determined in future regulatory proceedings. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations.

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In 2008, Unitil's annual common dividend was $1.38, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock. At its January, 2009, March, 2009, June, 2009 and September 2009 meetings, the Unitil Board of Directors declared quarterly dividends on the Company's common stock of $0.345 per share.

A more detailed discussion of the Company's results of operations for the three and nine months ended September 30, 2009 and a period-to-period comparison of changes in financial position are presented below.

Balance Sheet

The Company's Total Assets increased by $243.7 million as of September 30, 2009 compared to September 30, 2008. The increase in Total Assets was primarily due to the inclusion of the acquisitions of Northern Utilities and Granite State and to capital expenditures related to Unitil Energy's and Fitchburg's electric and gas distribution systems. The Company's Total Capitalization increased by $181.3 million as of September 30, 2009 compared to September 30, 2008 reflecting the issuance of common shares by the Company as part of its financing of the acquisitions of Northern Utilities and Granite State (See Note 4 to the accompanying Consolidated Financial Statements) and the issuance and sale of Senior Unsecured Notes by Northern Utilities and Granite State (See Note 5 to the accompanying Consolidated Financial Statements). The Company's Total Liabilities increased $62.4 million primarily due to the acquisitions of Northern Utilities and Granite State.

Gas Sales, Revenues and Margin

Therm Sales – Overall, Unitil's total therm sales of natural gas increased in the three and nine month periods ended September 30, 2009 compared to the same periods in 2008. These increases primarily reflect the contribution of sales by Northern Utilities. Excluding the contribution to sales by Northern Utilities, total therm sales of natural gas were flat in the three months ended September 30, 2009 compared to the same period in 2008 and increased 0.5% in the nine months ended September 30, 2009 compared to the same period in 2008. The increase in the nine month period ended September 30, 2009 reflects a colder winter heating season this year. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

The following table details total firm therm sales for the three and nine months ended September 30, 2009 and 2008, by major customer class:

Therm Sales (millions) (a)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Residential	**2.9**	0.7	2.2	314.3%	**29.1**	7.7	21.4	277.9%
Commercial / Industrial	**19.5**	3.0	16.5	550.0%	**106.1**	13.9	92.2	663.3%
Total	**22.4**	3.7	18.7	505.4%	**135.2**	21.6	113.6	525.9%

(a) 2009 Therm Sales include Northern Utilities, acquired on December 1, 2008.

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Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three and nine months ended September 30, 2009 and 2008:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	**2008**	**$ Change**	**% Change[1]**	**2009**	**2008**	**$ Change**	**% Change[1]**
Gas Operating Revenue:								
Residential	**$ 5.7**	$ 2.1	$ 3.6	81.8%	**$ 45.9**	$ 13.7	$ 32.2	127.3%
Commercial / Industrial	**9.5**	2.3	7.2	163.6%	**65.1**	11.6	53.5	211.5%
Total Gas Operating Revenue	**$ 15.2**	$ 4.4	$ 10.8	245.4%	**$ 111.0**	$ 25.3	$ 85.7	338.8%
Cost of Gas Sales:								
Purchased Gas	**$ 6.9**	$ 2.4	$ 4.5	102.3%	**$ 67.1**	$ 15.3	$ 51.8	204.7%
Conservation & Load Management	**0.4**	—	0.4	9.1%	**1.6**	0.1	1.5	5.9%
Gas Sales Margin	**$ 7.9**	$ 2.0	$ 5.9	134.0%	**$ 42.3**	$ 9.9	$ 32.4	128.2%

(1) Represents change as a percent of Total Gas Operating Revenue.

Total Gas Operating Revenues increased $10.8 million and $85.7 million in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the natural gas sales for Northern Utilities. Total Gas Operating Revenues include the recovery of the cost of gas sales, which are recorded as Purchased Gas and Conservation & Load Management (C&LM) in Operating Expenses. The increase in Total Gas Operating Revenues in the third quarter of 2009 reflects higher Purchased Gas costs of $4.5 million, higher C&LM revenues of $0.4 million and higher gas sales margin of $5.9 million. The increase in Total Gas Operating Revenues in the first nine months of 2009 reflects higher Purchased Gas costs of $51.8 million, higher C&LM revenues of $1.5 million and higher gas sales margin of $32.4 million.

The Purchased Gas and C&LM component of Gas Operating Revenues increased $4.9 million and $53.3 million in the three and nine month periods ended September 30, 2009 compared to the same periods in 2008. These increases primarily reflect the natural gas sales for Northern Utilities. Purchased Gas revenues include the recovery of the cost of gas supply as well as other energy supply related costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Natural gas sales margin increased $5.9 million and $32.4 million in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the contribution by Northern Utilities.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – Unitil's total electric kilowatt-hour (kWh) sales decreased 4.5% and 5.3% in the three and nine month periods ended September 30, 2009, respectively compared to the same periods in 2008. Electric kWh sales to residential customers in the three and nine month periods ended September 30, 2009 decreased 2.4% in each of those periods compared to the same three and nine month periods in 2008 while sales to C&I customers decreased 5.9% and 7.1%, respectively, in those periods compared to the same periods in 2008. The lower kWh sales in 2009 compared to 2008 reflect lower average usage by our customers due to the continued regional economic slowdown and milder summer weather in 2009.

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The following table details total kWh sales for the three and nine months ended September 30, 2009 and 2008 by major customer class:

kWh Sales (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Residential	**172.1**	176.3	(4.2)	(2.4%)	**493.8**	506.2	(12.4)	(2.4%)
Commercial / Industrial	**263.0**	279.4	(16.4)	(5.9%)	**738.3**	794.5	(56.2)	(7.1%)
Total	**435.1**	455.7	(20.6)	(4.5%)	**1,232.1**	1,300.7	(68.6)	(5.3%)

Electric Operating Revenues and Sales Margin – The following table details total Electric Operating Revenues and Sales Margin for the three and nine month periods ended September 30, 2009 and 2008:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	$ Change	% Change(1)	2009	2008	$ Change	% Change(1)
Electric Operating Revenue:								
Residential	**$ 27.9**	$ 30.9	$ (3.0)	(4.7%)	**$ 84.3**	$ 87.0	$ (2.7)	(1.6%)
Commercial / Industrial	**26.3**	32.7	(6.4)	(10.1%)	**79.0**	85.2	(6.2)	(3.6%)
Total Electric Operating Revenue	**$ 54.2**	$ 63.6	$ (9.4)	(14.8%)	**$ 163.3**	$ 172.2	$ (8.9)	(5.2%)
Cost of Electric Sales:								
Purchased Electricity	**$ 38.9**	$ 48.7	$ (9.8)	(15.4%)	**$ 119.5**	$ 128.4	$ (8.9)	(5.2%)
Conservation & Load Management	**0.8**	0.6	0.2	0.3%	**2.1**	2.0	0.1	0.1%
Electric Sales Margin	**$ 14.5**	$ 14.3	$ 0.2	0.3%	**$ 41.7**	$ 41.8	$ (0.1)	(0.1%)

(1) Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenue, decreased by $9.4 million, or 14.8%, and $8.9 million, or 5.2%, in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2008. Total Electric Operating Revenues include the recovery of the cost of electric sales, which are recorded as Purchased Electricity and C&LM in Operating Expenses. The decrease in Total Electric Operating Revenues in the third quarter of 2009 reflects lower Purchased Electricity costs of $9.8 million, partially offset by higher C&LM revenues of $0.2 million and higher electric sales margin of $0.2 million. The decrease in Total Electric Operating Revenues in the first nine months of 2009 reflects lower Purchased Electricity costs of $8.9 million and lower electric sales margin of $0.1 million, partially offset by higher C&LM revenues of $0.1 million.

The Purchased Electricity and C&LM component of Total Electric Operating Revenues decreased $9.6 million, or 15.1%, and $8.8 million, or 5.1%, in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2008. These decreases primarily reflect lower sales volumes and lower electric commodity prices, partially offset by higher spending on energy efficiency and conservation programs. Purchased Electricity revenues include the recovery of the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. C&LM revenues include the recovery of the cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin increased $0.2 million in the three months ended September 30, 2009 compared to the same period in 2008, reflecting higher rates offset by lower sales. For the nine months ended September 30, 2009, electric sales margin decreased $0.1 million, compared to the same period in 2008, reflecting lower sales volumes.

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Operating Revenue - Other

The following table details total Other Revenue for the three and nine months ended September 30, 2009 and 2008:

Other Revenue (000's)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	**2008**	**$ Change**	**% Change**	**2009**	**2008**	**$ Change**	**% Change**
Other	**$ 1.0**	$ 1.1	$ (0.1)	(9.1%)	**$ 3.2**	$ 2.9	$ 0.3	10.3%
Total Other Revenue	**$ 1.0**	$ 1.1	$ (0.1)	(9.1%)	**$ 3.2**	$ 2.9	$ 0.3	10.3%

Total Other Revenue decreased $0.1 million, or 9.1% and increased $0.3 million, or 10.3%, in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2008, representing changes in period over period revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

Purchased Gas – Purchased Gas expenses include the cost of gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas increased $4.5 million and $51.8 million in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the natural gas supply purchases for Northern Utilities, which were not included in the prior year period. The Company recovers the costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

Purchased Electricity – Purchased Electricity expenses include the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. Purchased Electricity decreased $9.8 million, or 20.1%, and $8.9 million, or 6.9%, in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2008. These decreases primarily reflect lower electric commodity prices and lower sales volumes in the current periods. The Company recovers the costs of Purchased Electricity in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

Operation and Maintenance (O&M) – O&M expense includes electric and gas utility operating costs, and the operating cost of the Company's unregulated business activities. Total O&M expenses increased $5.0 million and $15.7 million for the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $3.4 million and $7.7 million of the increases in the three and nine month periods, respectively.

For the three month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees of $0.4 million, higher compensation and employee benefit expenses of $0.7 million, reflecting normal annual increases, and higher utility operating costs of $0.5 million contributed to the increase in O&M expenses.

For the nine month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees expense of $2.3 million, including $2.0 million of costs related to the December ice storm discussed above, higher compensation and employee benefit expenses of $1.3 million and higher utility operating costs of $1.6 million contributed to the increase in O&M expenses. The increase in O&M expenses for the nine month period also reflects higher insurance costs in 2009 compared to the same period in 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

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Conservation & Load Management – Conservation and Load Management expenses are expenses associated with the development, management, and delivery of the Company's energy efficiency programs. Energy efficiency programs are designed, in conformity to state regulatory requirements, to help consumers use natural gas and electricity more efficiently and thereby decrease their energy usage. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 60% of these costs are related to electric operations and 40% to gas operations.

Total C&LM expenses increased $0.6 million, or 100.0% and $1.6 million, or 76.2%, in the three and nine month periods ended September 30, 2009 compared to the same periods in 2008. These costs are collected from customers on a fully reconciling basis and therefore, fluctuations in program costs do not affect earnings.

Depreciation, Amortization and Taxes

Depreciation and Amortization **–** Depreciation and Amortization expense increased $2.0 million, or 43.5% and $5.0 million, or 35.0% in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs.

Local Property and Other Taxes **–** Local Property and Other Taxes increased $1.0 million and $3.1 million in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher local property tax rates on higher levels of utility plant in service.

Federal and State Income Taxes **–** Federal and State Income Taxes were lower by $1.5 million in the three month period ended September 30, 2009 compared to the same period in 2008 reflecting lower pre-tax earnings. Federal and State Income Taxes were higher by $1.4 million in the nine month period ended September 30, 2009 compared to the same period in 2008 reflecting higher pre-tax earnings.

Other Non-operating Expenses (Income)

Other Non-operating Expenses were flat in the three month period ended September 30, 2009 compared to the same period in 2008. For the nine month period ended September 30, 2009, Other Non-operating Expenses decreased $0.1 million compared to the same period in 2008. This change reflects an adjustment of $0.1 million recorded in the first quarter of 2008 in conjunction with the Company's approved electric base distribution rate increase in Massachusetts.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. Certain reconciling rate mechanisms used by the Company's distribution utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

Unitil's utility subsidiaries operate a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the distribution utilities' rate tariffs, interest is accrued on these balances and will produce either interest income or interest expense. Interest income is recorded on an under-collection of costs, which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

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Interest Expense, Net (Millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2009	2008	Change	2009	2008	Change
Interest Expense						
Long-term Debt	**$ 4.5**	$ 2.9	$ 1.6	**$ 13.7**	$ 8.6	$ 5.1
Short-term Debt	**0.5**	0.2	0.3	**1.6**	0.7	0.9
Regulatory Liabilities	**0.1**	—	0.1	**0.2**	0.1	0.1
Subtotal Interest Expense	**5.1**	3.1	2.0	**15.5**	9.4	6.1
Interest (Income)						
Regulatory Assets	**(0.6)**	(0.6)	—	**(1.9)**	(1.9)	—
AFUDC[1] and Other	**(0.5)**	(0.1)	(0.4)	**(1.1)**	(0.2)	(0.9)
Subtotal Interest (Income)	**(1.1)**	(0.7)	(0.4)	**(3.0)**	(2.1)	(0.9)
Total Interest Expense, Net	**$ 4.0**	$ 2.4	$ 1.6	**$ 12.5**	$ 7.3	$ 5.2

(1) AFUDC – Allowance for Funds Used During Construction.

On December 3, 2008, Northern Utilities completed the sale of $80 million of Senior Unsecured Notes, through a private placement to institutional investors. The debt financing included $50 million of 30-year notes with a coupon rate of 7.72% and $30 million of 10-year notes with a coupon rate of 6.95%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Northern Utilities.

On December 15, 2008, Granite State completed the sale of $10 million of Senior Unsecured Notes, through a private placement to institutional investors. The Notes have a term of 10 years maturity and a coupon rate of 7.15%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Granite State.

Interest Expense, Net increased $1.6 million and $5.2 million in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2009. These increases were primarily due to the issuance of the long-term notes, noted above, and higher average borrowings in the current periods.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities. The Company initially supplements internally generated funds through bank borrowings, as needed, under unsecured short-term bank credit facilities. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets. The Company's utility operations are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

At September 30, 2009, the Company had $54.0 million in short-term debt outstanding through bank borrowings under its revolving credit agreement. The revolving credit agreement contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of September 30, 2009, the Company was in compliance with the financial covenants contained in the revolving credit agreement.

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On October 13, 2009, the Company entered into an amendment to its 364-day revolving credit facility with Bank of America, as administrative agent, and a syndicate of lenders. The Company originally entered into the facility on November 26, 2008. The amendment increases the maximum borrowings under the facility from $60 million to $80 million. It also (i) decreases the upfront fees to 15 basis points of the aggregate commitment, (ii) changes the commitment fees from 30 to 40 basis points per annum of the average difference between the aggregate commitment and the outstanding borrowings, (iii) changes the margin applicable to borrowings from 1.75% to 2.0% per annum, and (iv) extends the maturity date for borrowings to October 12, 2010. Except as expressly amended by the amendment, all other terms and conditions of the facility remain in full force and effect.

The Company provides limited guarantees on certain energy and natural gas storage management contracts entered into by the distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of September 30, 2009, there were approximately $21.3 million of guarantees outstanding and the longest term guarantee extends through December 31, 2010.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of September 30, 2009, the principal amount outstanding for the 8% Unitil Realty notes was $4.4 million, and the principal amount outstanding for the 7.15% Granite State notes was $10.0 million. The guarantee related to the Granite State notes will terminate if Granite State reorganizes and merges with and into Northern Utilities.

Off-Balance Sheet Arrangements

The Company and its subsidiaries do not currently use, and are not dependent on the use of, off-balance sheet financing arrangements such as securitization of receivables or obtaining access to assets or cash through special purpose entities or variable interest entities. Unitil's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their vehicles, machinery and office equipment under both capital and operating lease arrangements.

Cash Flows

On December 1, 2008, the Company acquired Northern Utilities and Granite State. Cash flow results for the first nine months of 2009 include the activity for the acquired companies. Unitil's utility operations, taken as a whole, are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows. The tables below summarize the major sources and uses of cash (in millions) for the nine months ended September 30, 2009 compared to the same period in 2008.

	Nine Months Ended Sept. 30,	
	2009	**2008**
Cash Provided by Operating Activities	**$ 21.2**	$ 27.1

Cash Provided by Operating Activities – Cash Provided by Operating Activities was $21.2 million during the nine months ended September 30, 2009, a decrease of $5.9 million over the comparable period in 2008. In the first nine months of 2009 as compared to the first nine months of 2008, Cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes increased by $10.0 million, sources of cash for working capital increased $2.4 million, and all other sources and uses of cash from Operating Activities decreased $18.3 million, primarily related to the funding in 2009 of non-recurring deferred regulatory charges related to the December 2008 ice storm of $14.0 million.

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	Nine Months Ended Sept. 30,	
	2009	2008
Cash (Used in) Investing Activities	**$ (49.8)**	$ (20.6)

Cash (Used in) Investing Activities – Cash (Used in) Investing Activities was $49.8 million for the nine months ended September 30, 2009, which represents an increase in capital spending of $29.2 million over the comparable period in 2008. In the nine months ended September 30, 2009, $14.4 million is related to capital expenditures for Northern Utilities and Granite State and $6.8 million represents transaction and transition costs incurred in 2009 associated with the acquisitions of Northern Utilities and Granite State.

	Nine Months Ended Sept. 30,	
	2009	2008
Cash Provided by (Used in) Financing Activities	**$ 26.1**	$ (6.1)

Cash Provided by (Used in) Financing Activities – Cash Provided by Financing Activities was $26.1 million in the nine months ended September 30, 2009. Proceeds from the issuance of Common Stock of $56.2 million primarily reflect the issuance of common stock by the Company through public offerings, as discussed above (See Note 4 also). Short-term borrowings were reduced by $20.1 million in the first nine months of 2009 which reflects the net borrowing (repayment) of bank borrowings under our revolving credit agreement and also includes the repayment of $39.1 million outstanding under the temporary bank credit facility utilized in financing the acquisition of Northern Utilities and Granite State. Other uses of cash include $9.4 million for Unitil's regular quarterly dividend payments on Common and Preferred Stock, and $0.6 million which includes repayment of long-term debt and capital lease activity.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, the Company is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgment, the financial position of the Company could be materially affected and the results of operations of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 18, 2009.

Regulatory Accounting – The Company's principal business is the distribution of electricity and natural gas by the three distribution utilities: Unitil Energy, Fitchburg and Northern Utilities. Unitil Energy is regulated by the FERC and the NHPUC. Fitchburg is regulated by the FERC and the MDPU. Northern Utilities is regulated by the MPUC and NHPUC. Granite State, the Company's natural gas transmission pipeline, is regulated by the FERC. Accordingly, the Company uses the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 980-340, "Regulated Operations – Other Assets and Deferred Costs" (ASC 980-340). In accordance with ASC 980-340, the Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

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Regulatory Assets consist of the following (millions)

	September 30, 2009	September 30, 2008	December 31, 2008
Energy Supply Contract Obligations	**$ 38.1**	$ 57.7	$ 52.7
Deferred Regulatory and Other Charges	**42.3**	28.1	28.3
Generation-related Assets	**0.2**	1.0	0.8
Subtotal – Restructuring Related Items	**80.6**	86.8	81.8
Retirement Benefit Obligations	**46.4**	35.2	45.5
Income Taxes	**15.1**	13.4	16.0
Environmental Obligations	**21.3**	11.6	19.7
Other	**8.2**	3.3	10.1
Total Regulatory Assets	**$ 171.6**	$ 150.3	$ 173.1
Less: Current Portion of Regulatory Assets[1]	**21.0**	21.8	26.9
Regulatory Assets - noncurrent	**$ 150.6**	$ 128.5	$ 146.2

(1) Reflects amounts included in Accrued Revenue on the Company's Consolidated Balance Sheets.

The Company receives a return on investment on its regulated assets for which a cash outflow has been made. Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated distribution and transmission utilities will recover their investments in long-lived assets, including regulatory assets. If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of ASC 980-340. If unable to continue to apply the provisions of ASC 980-340, the Company would be required to apply the provisions of ASC 980-20, "Regulated Operations – Discontinuation of Rate Regulated Accounting". In the Company's opinion, its regulated operations will be subject to ASC 980-340 for the foreseeable future.

Utility Revenue Recognition – Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. However, the determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts – The Company recognizes a provision for doubtful accounts each month based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. At the end of each month, an analysis of the delinquent receivables is performed which takes into account an assumption about the cash recovery of delinquent receivables. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company's distribution utilities are authorized by regulators to recover the costs of their energy commodity portion of bad debts through rate reconciliation mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

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Retirement Benefit Obligations – The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

In September 2006, the FASB issued ASC 715, "Compensation – Retirement Benefits", (ASC 715). ASC 715 requires companies to record on their balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs.

The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO. If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2008 and 2007, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $200,000 in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2008 and 2007, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $675,000 and $690,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $531,000 and $539,000, respectively. (See Note 9 to the accompanying Consolidated Financial Statements).

Income Taxes – Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets. The Company accounts for income tax assets, liabilities and expenses in accordance with ASC 740, "Income Taxes".

Depreciation – Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies – The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with ASC 450, "Contingencies", (ASC 450). ASC 450 applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of September 30, 2009, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to "Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

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LABOR RELATIONS

As of September 30, 2009, 149 of the Company's employees were represented by labor unions. These employees are covered by collective bargaining agreements. Two agreements expire on May 31, 2010, one agreement expires on June 5, 2010 and one agreement expires on March 31, 2012. The agreements provide discreet salary adjustments, established work practices and uniform benefit packages. The Company expects to successfully negotiate new agreements prior to their expiration dates.

INTEREST RATE RISK

As discussed above, Unitil meets its external financing needs by issuing short-term and long-term debt. The majority of debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new issuances of long-term debt securities. In addition, short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease interest expense in future periods. For example, if the average amount of short-term debt outstanding was $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000. The average interest rates on the Company's short-term borrowings for the three months ended September 30, 2009 and September 30, 2008 were 2.05% and 3.03%, respectively. The average interest rates on the Company's short-term borrowings for the nine months ended September 30, 2009 and September 30, 2008 were 3.82% and 3.28%, respectively.

MARKET RISK

Although Unitil's three distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 8 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

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Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended September 30, 2009	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
Operating Revenues				
Gas	**$ 15.2**	$ 4.4	**$ 111.0**	$ 25.3
Electric	**54.2**	63.6	**163.3**	172.2
Other	**1.0**	1.1	**3.2**	2.9
Total Operating Revenues	**70.4**	69.1	**277.5**	200.4
Operating Expenses				
Purchased Gas	**6.9**	2.4	**67.1**	15.3
Purchased Electricity	**38.9**	48.7	**119.5**	128.4
Operation and Maintenance	**12.0**	7.0	**34.4**	18.7
Conservation & Load Management	**1.2**	0.6	**3.7**	2.1
Depreciation and Amortization	**6.6**	4.6	**19.3**	14.3
Provisions for Taxes:				
Local Property and Other	**2.4**	1.4	**7.6**	4.5
Federal and State Income	**(1.0)**	0.5	**4.4**	3.0
Total Operating Expenses	**67.0**	65.2	**256.0**	186.3
Operating Income	**3.4**	3.9	**21.5**	14.1
Non-Operating Expenses	**—**	—	**0.2**	0.3
Income Before Interest Expense	**3.4**	3.9	**21.3**	13.8
Interest Expense, Net	**4.0**	2.4	**12.5**	7.3
Net Income (Loss)	**(0.6)**	1.5	**8.8**	6.5
Less: Dividends on Preferred Stock	**—**	—	**0.1**	0.1
Earnings (Loss) Applicable to Common Shareholders	**$ (0.6)**	$ 1.5	**$ 8.7**	$ 6.4
Average Common Shares Outstanding – Basic (000's)	**10,767**	5,745	**9,267**	5,733
Average Common Shares Outstanding – Diluted (000's)	**10,767**	5,748	**9,267**	5,738
Earnings Per Common Share (Basic and Diluted)	**$ (0.06)**	$ 0.27	**$ 0.94**	$ 1.12
Dividends Declared Per Share of Common Stock	**$ 0.345**	$ 0.345	**$ 1.38**	$ 1.38

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)

	(UNAUDITED) September 30, 2009	September 30, 2008	December 31, 2008
ASSETS:			
Utility Plant:			
Electric	**$ 300.0**	$ 275.5	$ 289.0
Gas	**316.9**	71.3	304.2
Common	**28.8**	27.3	30.5
Construction Work in Progress	**19.6**	10.9	17.7
Total Utility Plant	**665.3**	385.0	641.4
Less: Accumulated Depreciation	**227.4**	129.0	218.6
Net Utility Plant	**437.9**	256.0	422.8
Current Assets:			
Cash	**9.0**	5.0	11.5
Accounts Receivable – Net of Allowance for Doubtful Accounts of $2.4, $1.3 and $3.0	**27.2**	23.2	39.7
Accrued Revenue	**34.0**	36.5	56.9
Gas Inventory	**13.8**	3.2	31.6
Materials and Supplies	**2.9**	1.9	2.7
Prepayments and Other	**8.3**	2.1	5.9
Total Current Assets	**95.2**	71.9	148.3
Noncurrent Assets:			
Regulatory Assets	**150.6**	128.5	146.2
Other Noncurrent Assets	**27.5**	11.1	15.9
Total Noncurrent Assets	**178.1**	139.6	162.1
TOTAL	**$ 711.2**	$ 467.5	$ 733.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) September 30, 2009	(UNAUDITED) September 30, 2008	December 31, 2008
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 191.6**	$ 99.9	$ 139.5
Preferred Stock	**2.0**	2.0	2.0
Long-Term Debt, Less Current Portion	**249.0**	159.4	249.3
Total Capitalization	**442.6**	261.3	390.8
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.4	0.4
Accounts Payable	**18.6**	18.0	36.3
Short-Term Debt	**54.0**	21.7	74.1
Energy Supply Contract Obligations	**21.4**	19.6	42.0
Other Current Liabilities	**25.0**	10.2	33.8
Total Current Liabilities	**119.4**	69.9	186.6
Deferred Income Taxes	**38.2**	34.4	31.1
Noncurrent Liabilities:			
Energy Supply Contract Obligations	**24.3**	38.1	34.6
Retirement Benefit Obligations	**69.2**	49.5	67.4
Environmental Obligations	**10.9**	12.0	12.3
Other Noncurrent Liabilities	**6.6**	2.3	10.4
Total Noncurrent Liabilities	**111.0**	101.9	124.7
TOTAL	**$ 711.2**	$ 467.5	$ 733.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2008
Operating Activities:		
Net Income	**$ 8.8**	$ 6.5
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	**19.3**	14.3
Deferred Taxes	**5.1**	2.4
Changes in Current Assets and Liabilities:		
Accounts Receivable	**12.5**	1.7
Accrued Revenue	**22.9**	(2.0)
Accounts Payable	**(17.7)**	0.4
All other Current Assets and Liabilities	**(14.2)**	1.0
Deferred Regulatory and Other Charges	**(14.0)**	2.4
Other, net	**(1.5)**	0.4
Cash Provided by Operating Activities	**21.2**	27.1
Investing Activities:		
Property, Plant and Equipment Additions	**(43.0)**	(20.6)
Acquisition Costs	**(6.8)**	—
Cash (Used in) Investing Activities	**(49.8)**	(20.6)
Financing Activities:		
Proceeds From (Repayment of) Short-Term Debt, net	**(20.1)**	2.9
Dividends Paid	**(9.4)**	(6.1)
Proceeds from Issuance of Common Stock, net	**56.2**	0.7
Other, net	**(0.6)**	(3.6)
Cash Provided by (Used in) Financing Activities	**26.1**	(6.1)
Net Increase (Decrease) in Cash	**(2.5)**	0.4
Cash at Beginning of Period	**11.5**	4.6
Cash at End of Period	**$ 9.0**	$ 5.0
Supplemental Cash Flow Information:		
Interest Paid	**$ 11.6**	$ 8.0
Income Taxes Paid	**$ 0.6**	$ 0.5

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (Unitil Energy), Fitchburg Gas and Electric Light Company (Fitchburg), Northern Utilities, Inc. (Northern Utilities), Granite State Gas Transmission, Inc. (Granite State), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, a natural gas distribution utility serving customers in Maine and New Hampshire, from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite State, an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (NiSource) pursuant to the Stock Purchase Agreement (SPA) dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil (the "Acquisitions").

Unitil's principal business is the local distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire and the greater Fitchburg area of north central Massachusetts and the local distribution of natural gas in southeastern New Hampshire, portions of southern and central Maine and in the greater Fitchburg area of north central Massachusetts. Unitil has three distribution utility subsidiaries, Unitil Energy, which operates in New Hampshire, Fitchburg, which operates in Massachusetts and Northern Utilities, which operates in New Hampshire and Maine (collectively referred to as the distribution utilities).

Granite State is a natural gas transportation pipeline, operating 87 miles of underground gas transmission pipeline primarily located in Maine, New Hampshire and Massachusetts. Granite State provides Northern Utilities with interconnection to three major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north. Granite State derives its revenues principally from the transportation services provided to Northern Utilities and, to a lesser extent, third-party marketers.

A fifth utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve Unitil Energy's customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service; Unitil Realty; and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology, energy management and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three and nine months ended September 30, 2009 are not necessarily indicative of results to be expected for the year ending December 31, 2009. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission (SEC) on February 18, 2008, for a description of the Company's Basis of Presentation.

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As discussed above, the Company acquired Northern Utilities and Granite State on December 1, 2008. Accordingly, the operations of Northern Utilities and Granite State are included in the Company's consolidated financial statements from the date of acquisition, including the three and nine months ended September 30, 2009 but not for the three and nine months ended September 30, 2008. See Note 11.

As a result of the acquisitions of Northern Utilities and Granite State on December 1, 2008, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company expects that consolidated results of operations in future reporting periods will reflect to a greater degree the seasonal nature of natural gas sales by the acquired operating utilities. Accordingly, the Company expects that as a result of the acquisitions, consolidated results of operations will be positively affected during the first and fourth quarters, and negatively affected during the second and third quarters of future reporting years.

Derivatives – The Company has a regulatory approved hedging program for Northern Utilities designed to fix a portion of its gas supply costs for the coming year of service. In order to fix these costs, the Company purchases NYMEX futures that correspond to the associated delivery month. Any gains or losses on the fair value of these derivatives are passed through to ratepayers directly through a regulatory commission approved recovery mechanism. As a result of the ratemaking process, the Company records gains and losses as regulatory liabilities or assets and recognizes such gains or losses in Purchased Gas when recovered in revenues. The Company's Consolidated Balance Sheets include derivative liabilities related to net unrealized losses on current futures contracts of $3.6 million in Other Current Liabilities and on net unrealized gains on noncurrent futures contracts of $0.1 million in Noncurrent Liabilities at September 30, 2009. These amounts are offset in Accrued Revenues and Other Noncurrent Assets, respectively, on the Company's Consolidated Balance Sheets.

Reclassifications – Based on the Company's analysis certain amounts previously reported have been reclassified to improve the financial statements' presentation and to conform to current year presentation, principally including the reclassification of $22.4 million of Noncurrent Assets to Current Assets and $19.6 million of Noncurrent Liabilities to Current Liabilities related to current collections and obligations of Regulatory Assets and Regulatory Liabilities for 2008.

Recently Issued Pronouncements – In June 2009, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles", (SFAS No. 168), a replacement of SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. SFAS No. 168 is effective for financial statements for interim and annual periods ending after September 15, 2009. SFAS No. 168 establishes the FASB Accounting Standards Codification (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The purpose of the Codification is to simplify U.S. GAAP, without change, by consolidating the numerous accounting rules into logically organized topics. The Company has adopted SFAS No. 168 and therefore all references by the Company to authoritative accounting principles recognized by the FASB reflect the Codification.

In May 2009, the FASB issued FASB ASC 855, "Subsequent Events", (ASC 855) (originally issued as SFAS No.165, Subsequent Events), effective for interim and annual reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company adopted ASC 855 and it did not have an impact on the Company's Consolidated Financial Statements. The Company evaluated all events or transactions that occurred after September 30, 2009 up through October 23, 2009. During this period no material subsequent events came to our attention.

On April 9, 2009, the FASB issued ASC 825, "Financial Instruments", (ASC 825) (originally issued as FASB Staff Position No. FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments".) ASC 825 requires disclosures about fair value of financial instruments for interim reporting periods of publicly traded

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companies as well as in annual financial statements. ASC 825 also requires those disclosures in summarized financial information at interim reporting periods. ASC 825 is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The Company has adopted ASC 825 and there was no impact on the Company's Consolidated Financial Statements. See Note 5 for relevant disclosures on the fair value of the Company's long-term debt.

On December 30, 2008, the FASB issued ASC 715, "Compensation – Retirement Benefits", (ASC 715) (originally issued as FASB Staff Position No. FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets") to provide guidance on an employers' disclosures about plan assets of a defined benefit pension or other postretirement plan. The disclosures about plan assets required by ASC 715 are to be provided for fiscal years ending after December 15, 2009. The Company does not expect that the adoption of ASC 715 will have an impact on the Company's Consolidated Financial Statements.

Note 2: Acquisitions

As discussed above, on December 1, 2008, the Company purchased (i) all of the outstanding capital stock of Northern Utilities from Bay State and (ii) all of the outstanding capital stock of Granite State from NiSource pursuant to the SPA dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil. The aggregate purchase price for the Acquisitions was $209.2 million, comprised of $160 million in cash, plus an additional working capital adjustment of $49.2 million. The largest component of working capital was approximately $30.0 million of natural gas storage inventory.

The Company accounted for the Acquisitions under the purchase method of accounting for business combinations, in accordance with FASB Statement No. 141, "Business Combinations" ("SFAS No. 141") and ASC 980-340, "Regulated Operations – Other Assets and Deferred Costs" (ASC 980-340). Accordingly, the Company recognized its estimate of the bargain purchase price (see "Plant Acquisition Adjustment" in the table below) at December 1, 2008. The process of valuing the assets, liabilities and transaction, transition and financing costs as a result of the Acquisitions was substantially completed in the second and third quarters of 2009. As a result, the Company has recognized adjustments to its original estimate of the Plant Acquisition Adjustment (PAA) in the second and third quarters of 2009.

The adjusted PAA is ($24.2 million), a decrease of $4.1 million from the original estimate of ($28.3 million). The adjusted Transaction and Transition Costs is an increase of $6.8 million over the original estimate, reflecting additional costs to complete the acquisition and financing. Partially offsetting the decrease in the PAA estimate due to the additional Transaction and Transition Costs were subsequent payments, cash settlements between the purchaser and seller and other post-closing adjustments reflecting changes to working capital and Net Utility Plant.

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The revised purchase price allocations are as follows:

Purchase Price Allocation
($ Millions)

	December 1, 2008
Equity Purchase Price	$ 160.0
Plus: Working Capital Adjustment	49.2
Aggregate Purchase Price	209.2
Transaction and Transition Costs	14.4
Total Cash Purchase Price	223.6
Allocation To:	
Book Value of Net Utility Plant	(197.0)
Cash Acquired	(6.9)
Accounts Receivable and Other Current Assets	(21.7)
Accrued Revenue	(7.0)
Gas Inventory	(32.3)
Regulatory and Other Noncurrent Assets	(34.2)
Accounts Payable and Other Current Liabilities	20.0
Regulatory Liabilities	31.3
Plant Acquisition Adjustment	**$ (24.2)**

In accordance with settlement agreements between the Company, the New Hampshire Public Utilities Commission (NHPUC) and the Maine Public Utilities Commission (MPUC) regarding the Acquisitions, the Company has agreed (i) not to seek recovery of transaction and transition costs in rates and (ii) for regulatory accounting purposes, to amortize, over a ten year period, the transaction and transition costs co-terminus with the Plant Acquisition Adjustment.

NOTE 3 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
09/23/09	11/16/09	11/02/09	$ 0.345
06/18/09	08/14/09	07/31/09	$ 0.345
03/26/09	05/15/09	05/01/09	$ 0.345
01/15/09	02/16/09	02/02/09	$ 0.345
09/25/08	10/31/08	10/17/08	$ 0.345
06/19/08	08/15/08	08/01/08	$ 0.345
03/20/08	05/15/08	05/01/08	$ 0.345
01/17/08	02/15/08	02/01/08	$ 0.345

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NOTE 4 – COMMON STOCK AND PREFERRED STOCK

Common Stock

As of August 21, 2008 the Company's common stock began trading on the New York Stock Exchange and ceased trading on the American Stock Exchange. The Company's common stock trades under the symbol, "UTL".

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the authorized shares of the Company's common stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's common stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. The Company had 10,827,061, 5,781,025 and 7,791,617 of common shares outstanding at September 30, 2009, September 30, 2008 and December 31, 2008, respectively.

Unitil Corporation Common Stock Offerings – On May 27, 2009, the Company issued and sold 2,400,000 shares of its common stock at a price of $20.00 per share in a registered public offering (2009 Offering). As part of the 2009 Offering, the Company granted the underwriters a 30-day option to purchase up to an additional 360,000 shares to cover any over-allotments. The underwriters exercised their over-allotment option and purchased an additional 300,000 shares of the Company's common stock in June 2009. The Company's net increase to Common Equity and Cash proceeds from the 2009 Offering, including the over-allotment were approximately $51.2 million (after payment of the underwriting discount, but excluding estimated offering expenses) and were used (i) to repay all amounts outstanding under the bridge credit facility (approximately $39.1 million) that the Company used to partially finance the acquisition of Northern Utilities and Granite State which closed on December 1, 2008, and related transaction costs and expenses and (ii) for other general corporate purposes, including capital contributions to Unitil's distribution utilities and repayment of short-term debt.

On December 15, 2008, the Company issued and sold 2,000,000 shares of its common stock at a price of $20.00 per share in a registered public offering (2008 Offering). The Company repaid $36.8 million outstanding under the bank financing facility for the Company's acquisitions of Northern Utilities and Granite State with the net proceeds from the sale and issuance of its common stock.

As part of the 2008 Offering, the Company granted the underwriters a 30-day option to purchase up to an additional 300,000 shares to cover any over-allotments. The underwriters exercised their over-allotment option and purchased an additional 270,000 shares of the Company's common stock in January 2009. The Company's net increase to Common Equity and Cash proceeds from the over-allotment sales were approximately $5.1 million (after payment of the underwriting discount, but excluding estimated offering expenses) and were used to repay a portion of the bank financing for the Company's acquisitions of Northern Utilities and Granite State and to repay other short-term indebtedness. The Company recorded the issuance of the 270,000 shares, the sale proceeds and the increase in Common Equity in January 2009.

Dividend Reinvestment and Stock Purchase Plan – During the first nine months of 2009, the Company sold 33,184 shares of its Common Stock, at an average price of $20.88 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $693,000 were used to reduce short-term borrowings.

During the first nine months of 2008, the Company sold 22,462 shares of its Common Stock, at an average price of $27.43 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $616,000 were used to reduce short-term borrowings.

Restricted Stock Plan – The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 17, 2009, 32,260 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $661,007. Compensation expense associated with shares issued under the Plan is recognized ratably as the shares vest and was $0.4 million and $0.4 million for the nine months ended September 30, 2009 and 2008, respectively. At September 30, 2009, there was approximately $1.2 million of total unrecognized compensation cost related to non-vested shares

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under the Plan which is expected to be recognized over approximately 2.9 years as the shares vest. During the nine months ended September 30, 2009, 12,459 restricted shares vested. As of September 30, 2009 there were 52,019 unvested restricted shares.

Preferred Stock

Details on preferred stock at September 30, 2009, September 30, 2008 and December 31, 2008 are shown below:

(Amounts in Millions)

	September 30, 2009	September 30, 2008	December 31, 2008
Preferred Stock			
UES Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	$ 0.2	$ 0.2	$ 0.2
FG&E Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	0.8	0.8	0.8
8.00% Series, $100 Par Value	1.0	1.0	1.0
Total Preferred Stock	$ 2.0	$ 2.0	$ 2.0

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NOTE 5 – LONG-TERM DEBT, CREDIT ARRANGEMENTS AND GUARANTEES

Long-Term Debt

Details on long-term debt at September 30, 2009, September 30, 2008 and December 31, 2008 are shown below ($ Millions):

	September 30, 2009	September 30, 2008	December 31, 2008
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Northern Utilities Senior Notes:			
6.95% Senior Notes, Series A, Due December 3, 2018	**30.0**	—	30.0
7.72% Senior Notes, Series B, Due December 3, 2038	**50.0**	—	50.0
Granite State Senior Notes:			
7.15% Senior Notes, Due December 15, 2018	**10.0**	—	10.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due Through August 1, 2017	**4.4**	4.8	4.7
Total Long-Term Debt	**249.4**	159.8	249.7
Less: Current Portion	**0.4**	0.4	0.4
Total Long-term Debt, Less Current Portion	**$ 249.0**	$ 159.4	$ 249.3

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. In estimating the fair value of the Company's long-term debt, the assumed market yield reflects the Moody's Baa Utility Bond Average Yield for September 2009. The carrying value of the Company's long-term debt at September 30, 2009 is $249.4 million. The fair value of the Company's long-term debt at September 30, 2009 is estimated to be approximately $275.6 million. Costs, including prepayment costs, associated with the early settlement of long-term debt are not taken into consideration in determining fair value. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

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On December 3, 2008, Northern Utilities completed the sale of $80 million of Senior Unsecured Notes, through a private placement to institutional investors. The debt financing included $50 million of 30-year notes with a coupon rate of 7.72% and $30 million of 10-year notes with a coupon rate of 6.95%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Northern Utilities.

On December 15, 2008, Granite State completed the sale of $10 million of Senior Unsecured Notes, through a private placement to institutional investors. The Notes have a term of 10 years maturity and a coupon rate of 7.15%. The Company used the proceeds from the long-term Note financing to repay a portion of the bank financing for Unitil's acquisition of Granite State.

Credit Arrangements

At September 30, 2009, the Company had $54.0 million in short-term debt outstanding through bank borrowings under its revolving credit agreement. The revolving credit agreement contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of September 30, 2009, the Company was in compliance with the financial covenants contained in the revolving credit agreement.

On October 13, 2009, the Company entered into an amendment to its 364-day revolving credit facility with Bank of America, as administrative agent, and a syndicate of lenders. The Company originally entered into the facility on November 26, 2008. The amendment increases the maximum borrowings under the facility from $60 million to $80 million. It also (i) decreases the upfront fees to 15 basis points of the aggregate commitment, (ii) changes the commitment fees from 30 to 40 basis points per annum of the average difference between the aggregate commitment and the outstanding borrowings, (iii) changes the margin applicable to borrowings from 1.75% to 2.0% per annum, and (iv) extends the maturity date for borrowings to October 12, 2010. Except as expressly amended by the amendment, all other terms and conditions of the facility remain in full force and effect.

On November 1, 2008, Northern Utilities entered into a gas storage management agreement pursuant to which (i) Northern Utilities released certain pipeline and storage capacity to an asset manager from November 1, 2008 through April 30, 2009 and (ii) the asset manager financed inventories associated with the released storage capacity from Northern Utilities contemporaneously with the closing of the Acquisitions. Pursuant to the agreement, Northern Utilities repurchased the storage inventory over the course of the 2008/2009 winter heating season at the same price initially paid by the asset manager. Effective May 1, 2009, Northern entered into a subsequent gas storage management agreement which provides for refilling the storage inventory between May 1, 2009 and October 31, 2009. Similar to the prior agreement, the asset manager is maintaining the cost of the inventory. On October 31, 2009, at the end of the refill period, Northern will purchase the inventory associated with this storage asset. Northern has entered into a further asset management arrangement, which becomes effective November 1, 2009, under which Northern will release certain pipeline and storage assets and resell the storage inventory to an asset manager and subsequently repurchase the inventory over the course of the 2009/2010 winter heating season at the same price at which it sold the inventory to the asset manager. There was $7.6 million and $24.0 million outstanding at September 30, 2009 and December 31, 2008, respectively, related to these agreements.

Guarantees

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of September 30, 2009 there are $21.3 million of guarantees outstanding and the longest of these guarantees extends through December 31, 2010. These guarantees are not required to be recorded under the provisions of ASC 460, "Guarantees."

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of September 30, 2009, the principal amount outstanding for the 8% Unitil Realty notes was $4.4 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite State notes due 2018. As of September 30, 2009, the principal amount outstanding for the 7.15% Granite State notes was $10.0 million. This guarantee will terminate if Granite State reorganizes and merges with and into Northern Utilities.

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NOTE 6 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three and nine months ended September 30, 2009 and September 30, 2009 (Millions):

Three Months Ended:	Electric	Gas	Other	Non-Regulated	Total
September 30, 2009					
Revenues	**$ 54.2**	**$ 15.2**	**$ —**	**$ 1.0**	**$ 70.4**
Segment Profit (Loss)	**1.9**	**(2.9)**	**—**	**0.4**	**(0.6)**
Capital Expenditures	**6.1**	**10.1**	**0.7**	**—**	**16.9**
September 30, 2008					
Revenues	$ 63.6	$ 4.4	$ —	$ 1.1	$ 69.1
Segment Profit (Loss)	1.9	(0.6)	—	0.2	1.5
Capital Expenditures	6.3	2.6	1.5	—	10.4
Nine Months Ended:					
September 30, 2009					
Revenues	**$ 163.3**	**$ 111.0**	**$ —**	**$ 3.2**	**$ 277.5**
Segment Profit (Loss)	**3.2**	**4.2**	**0.1**	**1.2**	**8.7**
Capital Expenditures	**21.2**	**21.0**	**0.8**	**—**	**43.0**
Segment Assets	**347.9**	**352.6**	**10.7**	**—**	**711.2**
September 30, 2008					
Revenues	$ 172.2	$ 25.3	$ —	$ 2.9	$ 200.4
Segment Profit (Loss)	4.4	1.9	(0.2)	0.3	6.4
Capital Expenditures	15.9	3.1	1.6	—	20.6
Segment Assets	344.9	104.8	17.1	0.7	467.5

NOTE 7 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2008 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 18, 2009.

Legal Proceedings

A putative class action Complaint was filed against Fitchburg on January 7, 2009 in Worcester Superior Court in Worcester, Massachusetts, captioned Bellerman v. Fitchburg Gas and Electric Light Company. On April 1, 2009 an Amended Complaint was filed in Worcester Superior Court and served on Fitchburg. The Amended Complaint seeks an unspecified amount of damages including the cost of temporary housing and alternative fuel sources, emotional and physical pain and suffering and property damages allegedly incurred by customers in connection with the loss of electric service during the ice storm in Fitchburg's service territory in December, 2008. The Amended Complaint includes M.G.L. ch. 93A claims for purported unfair and deceptive trade practices related to the December 2008 Storm. On September 4, 2009, the Superior Court issued its order on the Company's Motion to Dismiss the Complaint, granting it in part and denying it in part. The Company continues to believe the suit is without merit, and will defend itself vigorously.

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Regulatory Matters

Major Ice Storm – On December 11 and 12, 2008, a severe ice storm struck the New England region, causing extensive damage to electric facilities and loss of service to significant numbers of customers of several utilities. An estimated one million electric customers in the region were affected, including all of Unitil's 28,000 Massachusetts customers, and approximately half of its New Hampshire customers. Fitchburg was able to restore power to one-third of its Massachusetts customers within three days, 80 percent of its customers by day seven, and the final Massachusetts customers, including those with individual service problems, were restored by December 24, 2008. On January 7, 2009, the MDPU opened an investigation into the preparation and response of the Massachusetts electric distribution companies to the December 12, 2008 Winter Storm. Evidentiary hearings before the MDPU concerning Fitchburg's storm response were held in May, 2009. After the hearing, the Massachusetts Attorney General recommended that the MDPU assess fines against Fitchburg totaling $4.65 million as penalties for Fitchburg's performance during and after the storm. Fitchburg has argued that the Attorney General's recommendation is not supported by the evidence, is contrary to the record of the Company's actual performance, and incorrectly interprets the authority of the MDPU to assess such penalties. A decision by the MDPU regarding the results of its investigation and the recommendation of the Attorney General remains pending.

As a result of the ice storm, the Company has spent approximately $20 million for the repair and replacement of electric distribution systems damaged during the storm, including $5.9 million related to capital construction and $14.1 million which has been deferred as a regulatory asset. Fitchburg and UES have filed petitions with their respective regulatory commissions, the MDPU and the NHPUC, requesting accounting orders to allow each to defer for future recovery in rates the costs associated with the emergency repair of its electric distribution system for damage caused by the ice storm. These petitions remain pending. The amount and timing of the cost recovery of these storm restoration expenditures will be determined in future regulatory proceedings. Also, the Company has spent $2.0 million for professional fees related to the ice storm, in addition to normal anticipated expenditures related to emergency storm preparedness. While the Company cannot determine the ultimate outcome of the proceedings discussed above, the Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. However, if it were ultimately determined that certain of these costs were not recoverable in rates, and/or the Company were required to incur additional costs to defend itself, there may be a significant impact on the Company's results of operations in future periods.

Fitchburg – Electric Division – On November 26, 2008, Fitchburg submitted its annual reconciliation of costs and revenues for Transition, Transmission, Standard Offer Service, and Default Service filed under its restructuring plan (the Annual Reconciliation Filing). The rates were approved effective January 1, 2009, subject to reconciliation pursuant to the MDPU's investigation. This matter remains pending before the MDPU.

Fitchburg – Gas Operations – On March 12, 2009, the MDPU opened an investigation into Fitchburg's gas procurement practices. The purpose of this investigation is to determine: (1) whether Fitchburg has engaged in a purchasing program to mitigate the volatility of gas commodity prices without MDPU approval; and, if so, (2) an appropriate remedy, including whether Fitchburg's ratepayers are entitled to reimbursement for any gas supply costs that are higher than they would have been absent such purchasing program. The Company believes that its gas procurement practices have been and remain in compliance and consistent with all relevant MDPU rules and orders and Massachusetts law, and does not believe that the investigation will have a material adverse impact upon the Company's financial condition or the results of its operations. Evidentiary hearings were concluded in June 2009. The Massachusetts Attorney General, an intervener in the MDPU investigation, has argued that Fitchburg was required to obtain MDPU approval of its gas purchasing program, and has recommended that Fitchburg refund to ratepayers $863,368 of gas supply costs. Fitchburg disagrees with the Attorney General's analysis and conclusions and believes that the refund recommendation is without precedent and contrary to the evidence. A decision by the MDPU remains pending.

Fitchburg – Other – On February 11, 2009, the MA Supreme Judicial Court (SJC) issued its decision in the Attorney General's (AG) appeal of the MDPU orders relating to Fitchburg's recovery of bad debt expense. The SJC agreed with the AG that the MDPU was required to hold hearings regarding changes in Fitchburg's tariff and

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rates, and on that basis vacated the MDPU orders. The Court, however, declined to rule on an appropriate remedy, and remanded the cases back to the MDPU for consideration of that issue. This matter remains pending before the MDPU.

On July 2, 2008, the Governor of Massachusetts signed into law "The Green Communities Act" (the GC Act), an energy policy statute designed to substantially increase energy efficiency and the development of renewable energy resources in Massachusetts. The GC Act provides for utilities to recover in rates the incremental costs associated with its various mandated programs. Several regulatory proceedings have been initiated to implement various provisions of the GC Act, including provisions for each distribution company to file enhanced three year energy efficiency investment plans, plans to establish smart grid pilot programs, proposals to purchase long-term contracts for renewable energy, and special tariffs to allow the net metering of customer-owned renewable generation. These matters, under review in separately designated dockets, remain pending.

Unitil Energy – On June 17, 2009, UES made its annual reconciliation and rate filing with the NHPUC under its restructuring plan, for rates effective August 1, 2009, including reconciliation of prior year costs and revenues. UES filed revisions on July 14, 2009. On July 24, 2009, the NHPUC approved the reconciliation filing and rates effective August 1, 2009.

Northern Utilities – Notices of Probable Violation – Beginning in October 2007, the MPUC initiated formal investigations into a number of Notices of Probable Violation (NOPVs) alleging that Northern Utilities had violated various provisions of the federal pipeline safety regulations, as adopted by the MPUC. Northern Utilities, the MPUC Staff and Unitil filed a comprehensive settlement (Settlement), which was approved by the MPUC on November 21, 2008, resolving these matters. Under the Settlement, Northern Utilities will incur total expenditures of approximately $3.8 million for certain safety related improvements for which no rate recovery will be allowed and obligations to be undertaken for Northern Utilities' distribution system to ensure compliance with the relevant state and federal gas safety laws. These compliance costs were accrued by Northern Utilities prior to the acquisition date and the remaining amount on the Company's balance sheet at September 30, 2009 was $2.3 million.

Northern Utilities – New Hampshire 2007/2008 Winter Cost of Gas – On October 31, 2007, the NHPUC issued Order No. 24,798 concerning the 2007/2008 winter cost of gas proceeding for Northern Utilities' New Hampshire division. In that order, the NHPUC noted that Northern Utilities had identified an unusually high level of lost and unaccounted for gas (UAFG), and ordered Northern Utilities to file a detailed report concerning its investigation of this matter. Through its investigation, Northern Utilities determined that the UAFG affected both its New Hampshire and Maine divisions, and that the cause appeared to be incorrect metering at the Maritimes & Northeast (M&NE) / Portland Natural Gas Transmission System's (PNGTS) Newington Gate Station caused by an erroneous meter module change. The metering equipment was operated and maintained by a third party, Spectra Energy, the parent company of M&NE. PNGTS and M&NE share joint ownership of the section of the pipeline connected to Granite State at the Newington Gate Station. The error caused Granite State to be billed for 758,702 Dth of natural gas, with Granite State then billing Northern Utilities for an equivalent amount, although the volumes of gas were not actually delivered. The meter error was corrected and Northern Utilities, Granite State, Spectra Energy and PNGTS reached an agreement whereby PNGTS will provide to Northern Utilities, through Granite State, gas volumes equal to the misread amounts to correct for the error, over a period of approximately 18 months. Both the NHPUC and the MPUC have approved this arrangement, as well as Northern Utilities' methodology for allocating the gas received to its Maine and New Hampshire divisions based upon the actual gas use over the period the meters were misread. As of September 30, 2009, Northern Utilities has recorded approximately $0.7 million reflecting the anticipated liability of the future refund amount based on current market prices, with an offsetting receivable from Granite State, and Granite State has recorded a receivable from PNGTS for this amount.

Northern Utilities – Maine Capacity Costs – In its October 28, 2008 approval of Northern Utilities' Maine Division's Cost of Gas Factor for the 2008-2009 Winter Period, the MPUC approved recovery of an additional $0.5 million of annual demand costs that had been inadvertently omitted from Northern Utilities' reconciliation of the 2008-2009 Winter Period rates, although analogous costs had been included in its calculation of 2007-2008 Winter Period rates. The MPUC determined that recovery of these Local Production Capacity Costs was consistent with previous MPUC orders and the $0.5 million was recovered in Northern Utilities' rates in Maine between November 1, 2008 and April 30, 2009.

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Northern Utilities also reported that, upon investigation, these annual demand costs, though approved, were incorrectly excluded from its reconciliation for five previous annual periods. The total impact for the five years is $2.4 million. On November 7, 2008, Northern Utilities, prior to the completion of the acquisition by Unitil, filed a request with the MPUC seeking an accounting order allowing it to defer and amortize for recovery these unrecovered gas costs over a three year period. In its Order dated July 1, 2009, the MPUC denied Northern's request for an accounting order and denied Northern's recovery of the unrecovered annual demand gas costs in future rates. Based on the uncertainty of the outcome of this proceeding, the Company had not recorded a regulatory asset related to this matter and therefore the MPUC's Order does not adversely impact the Company's financial statements.

NOTE 8 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2008 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 18, 2009.

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company believes it is in compliance with applicable environmental and safety laws and regulations, and the Company believes that as of September 30, 2009, there were no material losses reasonably likely to be incurred in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included on the Company's Consolidated Balance Sheet at September 30, 2009 are current and non-current accrued liabilities totaling $10.3 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant (MGP) site at Sawyer Passway, located in Fitchburg, Massachusetts. The amounts recorded do not assume any amounts are recoverable from insurance companies or other third parties. Also included on the Company's Consolidated Balance Sheet at September 30, 2009 are current and non-current accrued liabilities totaling $2.4 million associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were recorded to reflect that the recovery of these environmental remediation costs is probable through the regulatory process.

NOTE 9: RETIREMENT BENEFIT OBLIGATIONS

The Company sponsors the following retirement benefit plans to provide certain pension and postretirement benefits for its retirees and current employees as follows:

- The Unitil Corporation Retirement Plan (Pension Plan) - The Pension Plan is a defined benefit pension plan covering substantially all of its employees. Under the Pension Plan, retirement benefits are based upon an employee's level of compensation and length of service. In September 2009, the Company amended the Pension Plan as follows:
  - The Pension Plan will be closed to non-union employees who are hired on or after January 1, 2010.
  - All non-union employees hired before January 1, 2010 will have a choice of either:
    - Remaining in the Pension Plan with the current set of benefits. Non-union employees who elect this option will experience no changes in their pension benefits.

    or

    - Electing to move to Unitil Corporation's enhanced Tax Deferred Savings and Investment Plan. Non-union employees who elect this option will receive a frozen benefit from the existing Pension Plan for all of the benefits that they have accrued to December 31, 2008. This frozen benefit will not grow with future salary increases or

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future service. Non-union employees who elect this option will receive an enhanced employer matching contribution as well as a Company contribution in the Unitil Corporation Tax Deferred Savings and Investment Plan.

- Union employees were not affected by this amendment.

- The Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan) – The PBOP Plan provides health care and life insurance benefits to retirees. The Company has established Voluntary Employee Benefit Trusts (VEBT), into which it funds contributions to the PBOP Plan.
- The Unitil Corporation Supplemental Executive Retirement Plan (SERP) – The SERP is an unfunded retirement plan, with participation limited to executives selected by the Board of Directors.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2009	2008
Used to Determine Plan Costs		
Discount Rate	**6.25%**	6.00%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.00%**	8.50%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2017
	2009	**2008**
Used to Determine Benefit Obligations:		
Discount Rate	**6.25%**	6.00%
Rate of Compensation Increase	**3.50%**	3.50%
Health Care Cost Trend Rate Assumed for Next Year	**8.00%**	8.50%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health care Cost Trend Rate is reached	**2017**	2017

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The following tables provide the components of the Company's Retirement plan costs ($000's):

	Pension Plan		PBOP Plan		SERP	
Three Months Ended September 30,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Service Cost	**$ 571**	$ 488	**$ 357**	$ 355	**$ 54**	$ 37
Interest Cost	**1,073**	944	**578**	559	**46**	31
Expected Return on Plan Assets	**(1,108)**	(1,093)	**(89)**	(82)	**—**	—
Prior Service Cost Amortization	**66**	27	**428**	341	**—**	1
Transition Obligation Amortization	**—**	—	**5**	6	**—**	—
Actuarial Loss Amortization	**399**	318	**—**	—	**17**	6
Sub-total	**1,001**	684	**1,279**	1,179	**117**	75
Amounts Capitalized and Deferred	**(388)**	(226)	**(486)**	(496)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 613**	$ 458	**$ 793**	$ 683	**$ 117**	$ 75

	Pension Plan		PBOP Plan		SERP	
Nine Months Ended September 30,	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Service Cost	**$ 1,713**	$ 1,464	**$ 1,071**	$ 1,065	**$ 162**	$ 111
Interest Cost	**3,220**	2,831	**1,735**	1,677	**136**	94
Expected Return on Plan Assets	**(3,324)**	(3,280)	**(267)**	(245)	**—**	—
Prior Service Cost Amortization	**198**	81	**1,284**	1,022	**(1)**	1
Transition Obligation Amortization	**—**	—	**15**	17	**—**	—
Actuarial Loss Amortization	**1,197**	956	**—**	—	**53**	18
Sub-total	**3,004**	2,052	**3,838**	3,536	**350**	224
Amounts Capitalized and Deferred	**(1,034)**	(673)	**(1,286)**	(1,448)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 1,970**	$ 1,379	**$ 2,552**	$ 2,088	**$ 350**	$ 224

Employer Contributions

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. Included in the PPA are new minimum funding rules which will go into effect for plan years beginning in 2008. The funding target will be 100% of a plan's liability with any shortfall amortized over seven years, with lower (92% - 100%) funding targets available to well-funded plans during the transition period. As of September 30, 2009, the Company had contributed approximately $4.2 million to fund its Pension Plan in 2009 and does not expect to make any additional contributions in 2009.

As of September 30, 2009, the Company had made $1.1 million and $40,000 of contributions to the PBOP and SERP Plans, respectively, in 2009. The Company presently anticipates contributing an additional $1.7 million and $13,000 to the PBOP and SERP Plans, respectively, in 2009.

NOTE 10: INCOME TAXES

The Company bills its customers sales tax in Massachusetts and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2008 and for the current interim reporting period ended September 30, 2009 in accordance with ASC 740-25, "Income Taxes – Recognition", (ASC 740-25), and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any

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unrecognized tax liabilities or assets as defined by ASC 740-25 is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2006; December 31, 2007; and December 31, 2008. Income tax filings for the year ended December 31, 2008 have been filed with the Internal Revenue Service. In its Federal Income Tax return filings for the year ended December 31, 2008, the Company recognized net operating loss (NOL) carrybacks against its Federal Income Tax returns for the years ended December 31, 2006 and 2007 in the amounts of $5.0 million and $6.7 million, respectively. These NOL carrybacks result in a refund to the Company of $4.0 million. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no material interest and penalties recognized in the statement of earnings or accrued on the balance sheet.

NOTE 11: UNAUDITED PRO FORMA FINANCIAL DATA RELATED TO ACQUISITIONS

On December 1, 2008, the Company acquired Northern Utilities and Granite State, as discussed in Note 1. Had the results of operations for Northern Utilities and Granite State been combined with the Company as of the beginning of 2008, the Company's pro forma results for the three and nine months ended September 30, 2008 would have been as follows:

(Millions, except per share amounts) (Unaudited)	Three Months Ended September 30, 2008	Nine Months Ended September 30, 2008
Revenues	$ 82.0	$ 288.1
Earnings (Loss) Applicable to Common Shareholders	$ (2.1)	$ 5.0
Earnings (Loss) per Share		
Basic	$ (0.20)	$ 0.47
Diluted	$ (0.20)	$ 0.47

The Unaudited Pro Forma Financial Data include non-recurring charges to operating expenses of $0.8 million and $2.0 million, after tax, in the three and nine months ended September 30, 2008, respectively, related to compliance violation penalties incurred by Northern Utilities.

The Unaudited Pro Forma Financial Data are presented for illustrative purposes only and do not indicate the financial results of the combined companies had the companies actually been combined and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered, and is not intended to be a projection of future results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief

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Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 7 and 8 to the Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2008 as filed with the SEC on February 18, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended September 30, 2009.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), adopted by the Company on March 26, 2009, the Company periodically repurchases shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. The Company may suspend or terminate its Rule 10b5-1 trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws. There is no pool or maximum number of shares related to these purchases; however, the trading plan will terminate when $83,000 in value of shares have been purchased or, if sooner, on March 26, 2010.

The Company's repurchases are shown in the table below for the monthly periods noted:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
7/1/09 – 7/31/09	—	—	—
8/1/09 – 8/31/09	—	—	—
9/1/09 – 9/30/09	251	$ 21.86	251
Total	251	$ 21.86	251

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Item 5. Other Information

On October 23, 2009, the Company issued a press release announcing its results of operations for the three- and nine-month periods ended September 30, 2009. The press release is furnished with this Quarterly Report on Form 10-Q as Exhibit 99.1.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Weighted Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated October 23, 2009 Announcing Earnings For the Quarter Ended September 30, 2009.	Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	UNITIL CORPORATION
	(Registrant)
Date: October 23, 2009	/s/ Mark H. Collin
	Mark H. Collin Chief Financial Officer
Date: October 23, 2009	/s/ Laurence M. Brock
	Laurence M. Brock Chief Accounting Officer

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EXHIBIT INDEX

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EXHIBIT 11

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER WEIGHTED AVERAGE COMMON SHARE OUTSTANDING
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	**2008**	**2009**	**2008**
Net Income (Loss)	**$ (0.6)**	$ 1.5	**$ 8.8**	$ 6.5
Less: Dividend Requirements on Preferred Stock	**—**	—	**0.1**	0.1
Net Income Applicable to Common Stock	**$ (0.6)**	$ 1.5	**$ 8.7**	$ 6.4
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**10,767**	5,745	**9,267**	5,733
Dilutive Effect of Stock Options and Restricted Stock (000's)	**—**	3	**—**	5
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**10,767**	5,748	**9,267**	5,738
Earnings Per Share – Basic	**($0.06)**	$ 0.27	**$ 0.94**	$ 1.12
Earnings Per Share – Diluted	**($0.06)**	$ 0.27	**$ 0.94**	$ 1.12

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2009
/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2009
/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 23, 2009
/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	October 23, 2009
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	October 23, 2009
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	October 23, 2009

Exhibit 99.1

Contact: Mark H. Collin
Phone: 603-773-6612
Fax: 603-773-6605
Email: collin@unitil.com

Unitil Reports Third Quarter Results

Hampton, NH – October 23, 2009: Unitil Corporation (NYSE: UTL) (www.unitil.com) today announced a net loss of ($0.6) million for the third quarter of 2009, compared to earnings of $1.5 million for the third quarter of 2008. Earnings (loss) per common share (EPS) were ($0.06) for the three months ended September 30, 2009 compared with $0.27 in the third quarter of 2008. For the nine months ended September 30, 2009, the Company reported net income of $8.7 million, an increase of $2.3 million over the same period of 2008 reflecting the acquisitions of Northern Utilities, Inc. (Northern Utilities) and Granite State Gas Transmission, Inc. (Granite State) on December 1, 2008. EPS for the nine months ended September 30 were $0.94 for 2009 compared to $1.12 for 2008, reflecting a higher number of average shares outstanding year over year, discussed below.

"We continue to see the positive impact of our acquisition of Northern Utilities and the Granite State pipeline on our utility operations," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "In these challenging economic times, we are pleased to pass on the benefit of significantly lower energy costs to our customers. We are committed to aggressively manage our costs and to make prudent investments in our system for the benefit of our customers and shareholders."

As a result of the acquisitions of Northern Utilities and Granite State, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the acquisitions are fully reflected in both reporting periods. In particular, the Company's results will reflect the seasonal nature of the natural gas business. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Between December 2008 and June 2009, the Company sold 4,970,000 shares of its common stock at a price of $20.00 per share in registered public offerings. The Company used the net proceeds of $93.1 million from these offerings to finance the acquisition of Northern Utilities and Granite State and for capital contributions to Unitil's other distribution utilities and the repayment of short-term debt. Overall, the results of operations and net income are reflected over a higher number of average shares outstanding year over year.

Earnings in the third quarter reflect higher gas utility sales margins offset by higher operating, depreciation and interest costs in the quarter as well as a higher number of average shares outstanding year over year, discussed above. Natural gas sales margin increased $5.9 million and $32.4 million in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. These increases primarily reflect the contribution by Northern Utilities, the Company's recently acquired local gas distribution utility. Natural gas sales in the nine month period ended September 30, 2009 reflect a colder winter heating season this year. Average winter temperatures in the Company's service territories were 6.4% colder than last year.

Electric sales margin increased $0.2 million in the three months ended September 30, 2009 compared to the same period in 2008, reflecting higher rates offset by lower sales. For the nine months ended September 30, 2009, electric sales margin decreased $0.1 million, compared to the same period in 2008, reflecting lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 4.5% and 5.3% in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008 due to lower average usage by our customers reflecting the continued regional economic slowdown and milder summer weather in 2009.

Selected Financial Data for 2009 is presented in the following table:

Unitil Corporation – Condensed Financial Data

(Millions, except Per Share data) (unaudited)

	Three Months Ended Sept. 30, 2009	Three Months Ended Sept. 30, 2008	Three Months Ended Sept. 30, Change	Nine Months Ended Sept. 30, 2009	Nine Months Ended Sept. 30, 2008	Nine Months Ended Sept. 30, Change
Gas Therm Sales: (a)						
Residential	2.9	0.7	314.3%	29.1	7.7	277.9%
Commercial/Industrial	19.5	3.0	550.0%	106.1	13.9	663.3%
Total Gas Therm Sales	**22.4**	**3.7**	**505.4%**	**135.2**	**21.6**	**525.9%**
Electric kWh Sales:						
Residential	172.1	176.3	(2.4%)	493.8	506.2	(2.4%)
Commercial/Industrial	263.0	279.4	(5.9%)	738.3	794.5	(7.1%)
Total Electric kWh Sales	**435.1**	**455.7**	**(4.5%)**	**1,232.1**	**1,300.7**	**(5.3%)**
(a) 2009 Gas Therm Sales include Northern Utilities, Inc., acquired on December 1, 2008.						
Gas Revenues	$ 15.2	$ 4.4	$ 10.8	$ 111.0	$ 25.3	$ 85.7
Purchased Gas	7.3	2.4	4.9	68.7	15.4	53.3
Gas Sales Margin	**7.9**	**2.0**	**5.9**	**42.3**	**9.9**	**32.4**
Electric Revenues	54.2	63.6	(9.4)	163.3	172.2	(8.9)
Purchased Electricity	39.7	49.3	(9.6)	121.6	130.4	(8.8)
Electric Sales Margin	**14.5**	**14.3**	**0.2**	**41.7**	**41.8**	**(0.1)**
Usource Sales Margin	**1.0**	**1.1**	**(0.1)**	**3.2**	**2.9**	**0.3**
Total Sales Margin:	**23.4**	**17.4**	**6.0**	**87.2**	**54.6**	**32.6**
Operation & Maintenance Expenses	12.0	7.0	5.0	34.4	18.7	15.7
Depreciation, Amortization, Taxes & Other	8.0	6.5	1.5	31.6	22.2	9.4
Interest Expense, Net	4.0	2.4	1.6	12.5	7.3	5.2
Earnings (Loss) Applicable to Common Shareholders:	**$ (0.6)**	**$ 1.5**	**$ (2.1)**	**$ 8.7**	**$ 6.4**	**$ 2.3**
Earnings Per Share	**$ (0.06)**	**$ 0.27**	**$ (0.33)**	**$ 0.94**	**$ 1.12**	**$ (0.18)**

Operation & Maintenance (O&M) expenses increased $5.0 million and $15.7 million for the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. The addition of Northern Utilities and Granite State to consolidated operating results in 2009 accounted for $7.7 million of the increase in the nine month period. For the nine month period, in addition to the increases due to the acquisition of Northern Utilities and Granite State, higher professional fees expense of $2.3 million, including $2.0 million of costs related to the December 2008 ice storm, higher compensation and employee benefit expenses of $1.3 million and higher utility operating costs of $1.6 million contributed to the increase in O&M expenses. The increase in O&M expenses for the nine month period also reflects higher insurance costs in 2009 compared to the same period in 2008, due to the receipt of a $2.8 million insurance settlement in 2008.

Depreciation, Amortization, Taxes and Other expenses increased $1.5 million and $9.4 million in the three and nine months ended September 30, 2009, respectively, compared to the same periods in 2008. The increases primarily reflect the addition of Northern Utilities and Granite State to consolidated operating results in 2009, and higher depreciation on normal utility plant additions partially offset by lower amortization on natural gas inventory carrying costs and lower income taxes on lower pre-tax earnings for the three month period.

Interest Expense, Net increased $1.6 million and $5.2 million in the three and nine month periods ended September 30, 2009, respectively, compared to the same periods in 2009. These increases are primarily due to the addition of Northern Utilities and Granite State, reflecting the issuance of long-term notes by Northern Utilities and Granite State in December 2008. In addition, these increases in Interest Expense, Net reflect higher average borrowings in the current periods.

Also in the third quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

About Unitil

Unitil is a public utility holding company with subsidiaries providing electric and natural gas distribution service in New Hampshire and Massachusetts, natural gas distribution service in Maine and energy services throughout the northeast. Unitil serves approximately 170,000 utility customers in three states. Its utility affiliates include Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Northern Utilities, Inc. and Granite State Gas Transmission, Inc. Its other subsidiaries include Unitil Service Corp. and its non-regulated business segment doing business as Usource.

This press release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. All statements, other than statements of historical fact, are forward-looking statements. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to the following: variations in weather; changes in the regulatory environment; customers' preferences on energy sources; general economic conditions; increased competition; fluctuations in supply, demand, transmission capacity and prices for energy commodities; and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of Unitil Corporation.

For more information, visit Unitil at www.unitil.com or call Mark Collin at 603-773-6612.

UNITIL CORP (UTL)

10-Q

Quarterly report pursuant to sections 13 or 15(d)
Filed on 04/27/2010
Filed Period 03/31/2010

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended March 31, 2010

Commission File Number 1-8858

UNITIL CORPORATION
(Exact name of registrant as specified in its charter)

New Hampshire	**02-0381573**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6 Liberty Lane West, Hampton, New Hampshire	**03842-1720**
(Address of principal executive office)	**(Zip Code)**

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 26, 2010
Common Stock, No par value	**10,859,918 Shares**

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended March 31, 2010

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PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil is a public utility holding company headquartered in Hampton, New Hampshire. Unitil is subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005. On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, a natural gas distribution utility serving customers in New Hampshire and Maine, from Bay State and (ii) all of the outstanding capital stock of Granite State, an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource.

Unitil's principal business is the local distribution of electricity and natural gas throughout its service territory in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly-owned distribution utilities:

i) Unitil Energy, which provides electric service in southeastern seacoast and state capital regions of New Hampshire;

ii) Fitchburg, which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and

iii) Northern Utilities, which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland and the Lewiston-Auburn area.

Unitil Energy, Fitchburg and Northern Utilities are collectively referred to as the "distribution utilities." Together, the distribution utilities serve approximately 100,500 electric customers and 70,000 natural gas customers in their service territory.

In addition, Unitil is the parent company of Granite State, a natural gas transmission pipeline, regulated by the FERC, operating 87 miles of underground gas transmission pipeline primarily located in Maine and New Hampshire. Granite State provides Northern Utilities with interconnection to three major natural gas pipelines and access to pipeline supplies.

The distribution utilities are local "pipes and wires" operating companies and, combined with Granite State, had an investment in Net Utility Plant of $455.1 million at March 31, 2010. Unitil's total operating revenue includes revenue to recover the approved cost of purchased electricity and natural gas in rates on a fully reconciling basis. As a result of this reconciling rate structure, the Company's earnings are not affected by changes in the cost of purchased electricity and natural gas. Earnings from Unitil's utility operations are derived from the return on investment in the three distribution utilities and Granite.

Unitil also conducts non-regulated operations principally through Usource, which is wholly-owned by Unitil Resources. Usource provides energy brokering and consulting services to large commercial and industrial customers in the northeastern United States. The Company's other subsidiaries include Unitil Service, which provides, at cost, a variety of administrative and professional services to Unitil's affiliated companies, and Unitil Realty, which owns and manages Unitil's corporate office building and property located in Hampton, New Hampshire. Unitil's consolidated net income includes the earnings of the holding company and these subsidiaries.

RATES AND REGULATION

Unitil is subject to comprehensive regulation by federal and state regulatory authorities. Unitil and its subsidiaries are subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005 in regards to certain bookkeeping, accounting and reporting requirements. Unitil's utility operations related to wholesale and interstate energy business activities are also regulated by FERC. Unitil's distribution utilities are subject to regulation by the applicable state public utility commissions, in regards to their rates, issuance of

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securities and other accounting and operational matters: Unitil Energy is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC); Fitchburg is subject to regulation by the Massachusetts Department of Public Utilities (MDPU); and Northern Utilities is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's distribution utilities deliver electricity and/or natural gas to all customers in their service territory, at rates established under traditional cost of service regulation. Under this regulatory structure, Unitil's distribution utilities recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. As a result of a restructuring of the utility industry in New Hampshire, Massachusetts and Maine, Unitil's customers have the opportunity to purchase their electricity or natural gas supplies from third party suppliers. A majority of Unitil's largest commercial and industrial (C&I) customers purchase their electric and natural gas supplies from third party suppliers. However, most residential and small customers continue to purchase their electric and natural gas supplies through Unitil's distribution utilities. Unitil's distribution utilities purchase electricity or natural gas from unaffiliated wholesale suppliers and recover the actual costs of these supplies on a pass-through basis, as well as certain costs associated with industry restructuring, through reconciling rate mechanisms that are periodically adjusted.

The regulatory process in both New Hampshire and Maine, in connection with those states' approvals of the Acquisitions, included the negotiation and filing of settlement agreements reflecting commitments by Unitil with respect to Northern Utilities' rates, customer service and operations. The settlement agreements were separately negotiated and filed in each state but reflect a number of common features. For additional discussion, please refer to Unitil's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 10, 2010.

CAUTIONARY STATEMENT

This report and the documents we incorporate by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include those described in Item 1A (Risk Factors) and the following:

- The Company's ability to achieve the estimated potential synergy savings attributable to the Acquisitions;
- The Company's ability to retain existing customers and gain new customers;
- Variations in weather;
- Major storms;
- Recovery of deferred major storm costs;
- Recovery of energy commodity costs;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;

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- Interest rate fluctuation and credit market concerns;
- General economic conditions that could have an adverse impact on the availability of credit and liquidity resources generally and could jeopardize certain of our counterparty obligations, including those of our insurers and financial institutions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' performance under multi-year energy brokering contracts.

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

SUBSEQUENT EVENT

On April 15, 2010 Unitil Energy filed a proposed base rate increase of $10.1 million, which represents an increase of 6.5 percent above present rates. Unitil Energy requested temporary rates to be effective July 1, 2010. In addition, Unitil Energy requested adjustments for a Rate Year Step Adjustment, a Large Capital Project Step Adjustment and a long-term rate plan establishing step adjustments associated with the Company's Reliability Enhancement Plan and Vegetation Management Plan. A decision from the NHPUC on Unitil Energy's rate increase request may take up to one year.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended March 31, 2010 and March 31, 2009 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Part I, Item 1 of this report.

As a result of the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Earnings Overview

The Company's Earnings Applicable to Common Shareholders was $6.5 million for the first quarter of 2010 compared to 2009 first quarter earnings of $9.1 million. Earnings per common share (EPS) were $0.61 for the three months ended March 31, 2010 compared to EPS of $1.14 in the first quarter of 2009. Earnings per share in the first quarter of 2010 are not directly comparable with 2009 due to a 35% increase in average common shares outstanding year over year resulting from the issuance of new common equity in 2009 to complete the financing of the Company's acquisition of Northern Utilities and Granite State.

Natural gas sales margin decreased $1.4 million in the three months ended March 31, 2010 compared to the same period in 2009 reflecting lower sales volumes. Total therm sales of natural gas decreased 6.5% in the three months ended March 31, 2010 compared to the same period in 2009, reflecting decreases of 7.8% and 6.0% in

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sales to residential and commercial and industrial (C&I) customers, respectively. The lower sales in the first three months of 2010 reflect a milder winter heating season this year. There were 7.6% fewer Heating Degree Days in the Company's service territories in the first quarter of 2010 compared to the same period in 2009. On a weather-normalized basis, natural gas sales decreased by 2.7% in the three months ended March 31, 2010 compared to the same period in 2009.

Electric sales margin decreased $0.3 million in the three months ended March 31, 2010 compared to the same period in 2009, reflecting lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 1.8% in the three months ended March 31, 2010 compared to the same period in 2009 driven by lower average usage per customer reflecting the milder winter weather as well as energy conservation efforts by our customers. On a weather-normalized basis, kWh sales in the three months ended March 31, 2010 were flat compared to the same period in 2009.

Operation & Maintenance (O&M) expenses increased $1.8 million in the three months ended March 31, 2010 compared to the same period in 2009. The increase in O&M expenses primarily reflects higher utility operating costs associated with the completion of the transition and full integration of Northern Utilities and Granite State operations into the Company's consolidated operating results in the current period.

Depreciation, Amortization, Taxes and Other expenses decreased $0.4 million in the three months ended March 31, 2010 compared to the same period in 2009. Higher depreciation expense on utility plant additions were offset by lower amortization and lower income taxes on lower pre-tax earnings in the quarter.

Interest Expense, Net decreased $0.5 million in the three months ended March 31, 2010 compared to the same period in 2009 reflecting higher acquisition related debt fees incurred in 2009 and lower average borrowings in the current quarter.

Usource, our non-regulated energy brokering business, recorded revenues of $1.1 million in the first quarter of 2010, unchanged when compared to the first quarter of 2009. Usource's revenues are primarily derived from fees and charges billed to suppliers as customers take delivery of energy from these suppliers under term contracts brokered by Usource.

Additionally, EPS in the first quarter of 2010 reflect a higher number of average shares outstanding year over year. In May and June 2009, the Company sold 2,700,000 shares of its common stock at a price of $20.00 per share in a registered public offering. The Company used the net proceeds of $51.2 million from this offering to complete the acquisition of Northern Utilities and Granite State.

In 2009, Unitil's annual common dividend was $1.38, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock. At its January, 2010 and March, 2010 meetings, the Unitil Board of Directors declared quarterly dividends on the Company's common stock of $0.345 per share.

A more detailed discussion of the Company's results of operations for the three months ended March 31, 2010.

Gas Sales, Revenues and Margin

Therm Sales – Unitil's total therm sales of natural gas decreased 6.5% in the three months ended March 31, 2010 compared to the same period in 2009, reflecting decreases of 7.8% and 6.0% in sales to residential and C&I customers, respectively. The lower sales in the first three months of 2010 reflect a milder winter heating season this year. There were 7.6% fewer Heating Degree Days in the Company's service territories in the first quarter of 2010 compared to the same period in 2009. On a weather-normalized basis, natural gas sales decreased by 2.7% in the three months ended March 31, 2010 compared to the same period in 2009.

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The following table details total firm therm sales for the three months ended March 31, 2010 and 2009, by major customer class:

Therm Sales (millions)

	Three Months Ended March 31,			
	2010	**2009**	**Change**	**% Change**
Residential	**17.8**	19.3	(1.5)	(7.8%)
Commercial/Industrial	**54.6**	58.1	(3.5)	(6.0%)
Total	**72.4**	77.4	(5.0)	(6.5%)

Gas Operating Revenues and Sales Margin **–** The following table details total Gas Operating Revenues and Sales Margin for the three months ended March 31, 2010 and 2009:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2010	**2009**	**$ Change**	**% Change(1)**
Gas Operating Revenue:				
Residential	**$ 25.8**	$ 30.4	$ (4.6)	(6.4%)
Commercial / Industrial	**35.3**	42.0	(6.7)	(9.2%)
Total Gas Operating Revenue	**$ 61.1**	$ 72.4	$ (11.3)	(15.6%)
Cost of Gas Sales:				
Purchased Gas	**$ 38.3**	$ 48.4	$ (10.1)	(14.0%)
Conservation & Load Management	**0.8**	0.6	0.2	0.3%
Gas Sales Margin	**$ 22.0**	$ 23.4	$ (1.4)	(1.9%)

(1) Represents change as a percent of Total Gas Operating Revenue.

Total Gas Operating Revenues decreased $11.3 million, or 15.6%, in the three months ended March 31, 2010 compared to the same period in 2009. Total Gas Operating Revenues include the recovery of the approved cost of sales, which are recorded as Purchased Gas and Conservation & Load Management (C&LM) in Operating Expenses. The decrease in Total Gas Operating Revenues in the first quarter of 2010 reflects lower Purchased Gas costs of $10.1 million and lower gas sales margin of $1.4 million, partially offset by higher C&LM revenues of $0.2 million.

The Purchased Gas and C&LM component of Gas Operating Revenues decreased $9.9 million, or 13.7%, in the three months ended March 31, 2010 compared to the same period in 2009. The decrease reflects lower natural gas commodity prices and the lower sales of natural gas, discussed above. Purchased Gas revenues include the recovery of the approved cost of gas supply as well as other energy supply related costs. C&LM revenues include the recovery of the approved cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Natural gas sales margin decreased $1.4 million in the three months ended March 31, 2010 compared to the same period in 2009. This decrease was driven by the lower sales of natural gas, discussed above.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – In the first quarter of 2010, Unitil's total electric kWh sales decreased 1.8% compared to the first quarter of 2009. Sales to residential and C&I customers decreased 1.6% and 1.9%, respectively, in the first quarter of 2010 compared to the same period in 2009. The lower kWh sales in 2010 compared to 2009 were

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primarily driven by lower average usage per customer reflecting the milder winter weather as well as energy conservation efforts by our customers. On a weather-normalized basis, kWh sales in the three months ended March 31, 2010 were flat compared to the same period in 2009.

The following table details total kWh sales for the three months ended March 31, 2010 and 2009 by major customer class:

kWh Sales (millions)

	Three Months Ended March 31,			
	2010	**2009**	**Change**	**% Change**
Residential	**177.7**	180.6	(2.9)	(1.6%)
Commercial/Industrial	**237.5**	242.1	(4.6)	(1.9%)
Total	**415.2**	422.7	(7.5)	(1.8%)

Electric Operating Revenues and Sales Margin – The following table details total Electric Operating Revenues and Sales Margin for the three months ended March 31, 2010 and 2009:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2010	**2009**	**$ Change**	**% Change(1)**
Electric Operating Revenue:				
Residential	**$ 28.1**	$ 33.2	$ (5.1)	(8.2%)
Commercial / Industrial	**22.7**	28.9	(6.2)	(10.0%)
Total Electric Operating Revenue	**$ 50.8**	$ 62.1	$ (11.3)	(18.2%)
Cost of Electric Sales:				
Purchased Electricity	**$ 35.8**	$ 47.2	$ (11.4)	(18.3%)
Conservation & Load Management	**0.9**	0.5	0.4	0.6%
Electric Sales Margin	**$ 14.1**	$ 14.4	$ (0.3)	(0.5%)

(1) Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenues decreased by $11.3 million, or 18.2%, in the three months ended March 31, 2010 compared to the same period in 2009. Total Electric Operating Revenues include the recovery of approved costs of electric sales, which are recorded as Purchased Electricity and C&LM in Operating Expenses. The decrease in Total Electric Operating Revenues in the three months ended March 31, 2010 reflects lower Purchased Electricity costs of $11.4 million and lower sales margin of $0.3 million, partially offset by higher C&LM revenues of $0.4 million.

The Purchased Electricity and C&LM component of Total Electric Operating Revenues decreased a combined $11.0 million, or 17.7%, in the three months ended March 31, 2010 compared to the same period in 2009, reflecting lower electric commodity prices and lower electric kWh sales. Purchased Electricity revenues include the recovery of the approved cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. C&LM revenues include the recovery of the approved cost of energy efficiency and conservation programs. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

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Electric sales margin decreased $0.3 million in the three months ended March 31, 2010 compared to the same period in 2009, reflecting lower sales volumes. The lower sales are primarily driven by lower average usage per customer reflecting the milder winter weather as well as energy conservation efforts by our customers.

Operating Revenue - Other

The following table details total Other Operating Revenue for the three months ended March 31, 2010 and 2009:

Other Operating Revenue (Millions)

	Three Months Ended March 31,			
	2010	**2009**	**$ Change**	**% Change**
Other	**$ 1.1**	$ 1.1	$ —	—
Total Other Operating Revenue	**$ 1.1**	$ 1.1	$ —	—

Total Other Operating Revenue was unchanged in the three month period ended March 31, 2010 compared to the same period in 2009. Other operating revenues consist of revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

***Purchased Gas* –** Purchased Gas includes the cost of natural gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas decreased $10.1 million, or 20.9%, in the three month period ended March 31, 2010 compared to the same period in 2009. The decrease in Purchased Gas reflects lower natural gas commodity prices and the lower sales of natural gas, discussed above. The Company recovers the approved costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in approved expenses do not affect earnings.

***Purchased Electricity* –** Purchased Electricity includes the cost of electric supply as well as other energy supply related restructuring costs, including power supply buyout costs. Purchased Electricity decreased $11.4 million, or 24.2%, in the three month period ended March 31, 2010 compared to the same period in 2009, reflecting lower electric commodity prices and lower electric kWh sales, discussed above. The Company recovers the approved costs of Purchased Electricity in its rates at cost and therefore changes in approved expenses do not affect earnings.

***Operation and Maintenance (O&M)* –** O&M expense includes electric and gas utility operating costs, and the operating costs of the Company's non-regulated business activities. O&M expenses increased $1.8 million in the three months ended March 31, 2010 compared to the same period in 2009. The increase in O&M expenses primarily reflects higher utility operating costs associated with the completion of the transition and full integration of Northern Utilities and Granite State operations into the Company's consolidated operating results in the current period.

***Conservation & Load Management* –** Conservation and Load Management expenses are expenses associated with the development, management, and delivery of the Company's energy efficiency programs. Energy efficiency programs are designed, in conformity to state regulatory requirements, to help consumers use natural gas and electricity more efficiently and thereby decrease their energy costs. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 60% of these costs are related to electric operations and 40% to gas operations.

Total Conservation & Load Management expenses increased by $0.6 million in the three months ended March 31, 2010 compared to the same period in 2009. These costs are collected from customers on a fully reconciling basis and therefore, fluctuations in program costs do not affect earnings.

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Depreciation, Amortization and Taxes

Depreciation and Amortization – Depreciation and Amortization expense increased $0.8 million, or 12.7%, in the three months ended March 31, 2010 compared to the same period in 2009. The increase reflects higher depreciation on normal utility plant additions partially offset by lower amortization expenses.

Local Property and Other Taxes – Local Property and Other Taxes increased by $0.1 million, or 3.3%, in the three months ended March 31, 2010 compared to the same period in 2009. The increase reflects higher local property tax rates on higher levels of utility plant in service and higher payroll taxes on higher compensation expenses.

Federal and State Income Taxes – Federal and State Income Taxes were lower by $1.4 million for the three months ended March 31, 2010 compared to the same period in 2009 reflecting lower pre-tax earnings in the current quarter.

Other Non-Operating Expense

Other Non-operating Expenses increased by $0.1 million in the three month period ended March 31, 2010 compared to the same period in 2009.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. In addition, certain reconciling rate mechanisms used by the Company's distribution operating utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

Unitil's utility subsidiaries operate a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the distribution utilities' rate tariffs, interest is accrued on these balances and will produce either interest income or interest expense. Consistent with regulatory precedent, interest income is recorded on an under-collection of costs, including carrying charges of $0.3 million in 2010 on deferred storm costs, which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset. The three months ended March 31, 2009 include approximately $0.6 million of interest expense on the Company's interim bank financing facility used to finance the acquisitions of Northern Utilities and Granite State, which was repaid in the second quarter of 2009 upon the Company's issuance of additional equity.

Interest Expense, Net (millions)	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	Change
Interest Expense			
Long-term Debt	**$ 4.7**	$ 4.6	$ 0.1
Short-term Debt	**0.4**	1.1	(0.7)
Regulatory Liabilities	**0.1**	—	0.1
Subtotal Interest Expense	**5.2**	5.7	(0.5)
Interest (Income)			
Regulatory Assets	**(0.8)**	(0.7)	(0.1)
AFUDC and Other	**(0.1)**	(0.2)	0.1
Subtotal Interest (Income)	**(0.9)**	(0.9)	—
Total Interest Expense, Net	**$ 4.3**	$ 4.8	$ (0.5)

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Interest Expense, Net decreased $0.5 million in the three months ended March 31, 2010 compared to the same period in 2009 reflecting higher acquisition related debt fees incurred in 2009 and lower average borrowings in the current quarter.

On March 2, 2010, UES completed the sale of $15 million of First Mortgage Bonds through a private placement to institutional investors. The First Mortgage Bonds have a maturity of ten years and a coupon rate of 5.24%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

On March 2, 2010, Northern Utilities completed the sale of $25 million of Senior Unsecured Notes through a private placement to institutional investors. The Senior Unsecured Notes have a maturity of ten years and a coupon rate of 5.29%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities. The Company initially supplements internally generated funds through bank borrowings, as needed, under its unsecured short-term bank credit facility. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets. The Company's utility operations are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

At March 31, 2010, the Company had $19.3 million in short-term debt outstanding through bank borrowings under its revolving credit facility. The revolving credit facility contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of March 31, 2010, the Company was in compliance with the financial covenants contained in the revolving credit facility.

The Company provides limited guarantees on certain energy and natural gas storage management contracts entered into by the distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of March 31, 2010, there were approximately $39.2 million of guarantees outstanding and the longest term guarantee extends through December 31, 2010.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of March 31, 2010, the principal amount outstanding for the 8% Unitil Realty notes was $4.1 million, and the principal amount outstanding for the 7.15% Granite State notes was $10.0 million.

Off-Balance Sheet Arrangements

The Company and its subsidiaries do not currently use, and are not dependent on the use of, off-balance sheet financing arrangements such as securitization of receivables or obtaining access to assets or cash through special purpose entities or variable interest entities. Unitil's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their vehicles, machinery and office equipment under both capital and operating lease arrangements.

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Cash Flows

Unitil's utility operations, taken as a whole, are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows. The tables below summarize the major sources and uses of cash (in millions) for the three months ended March 31, 2010 compared to the same period in 2009.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Cash Provided by Operating Activities	**$ 24.3**	$ 31.8

Cash Provided by Operating Activities – Cash Provided by Operating Activities was $24.3 million in the first three months of 2010, a decrease of $7.5 million over the comparable period in 2009. In the first three months of 2010 as compared to the first three months of 2009, Cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes decreased by $5.2 million, cash provided by working capital decreased $3.1 million, and cash provided by all other Operating Activities increased $0.8 million.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Cash (Used in) Investing Activities	**$ (10.3)**	$ (18.0)

Cash (Used in) Investing Activities – Cash (Used in) Investing Activities was $10.3 million for the three months ended March 31, 2010 compared to $18.0 million for the same period in 2009. Capital spending in the first three months of 2010 includes $4.1 million as a result of a wind storm in February 2010, and capital spending in the same period of 2009 includes $9.9 million resulting from the December 2008 ice storm. All other capital spending in the first three months of 2010 was $6.2 million compared to $8.1 million in the same period of 2009. Capital expenditures are projected to be approximately $64 million in 2010 and $60 million in 2011, reflecting normal electric and gas utility system additions.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Cash (Used in) Financing Activities	**$ (12.9)**	$ (10.8)

Cash (Used in) Financing Activities – Cash (Used in) Financing Activities was $12.9 million in the three months ended March 31, 2010. In March 2010, Unitil Energy and Northern Utilities closed long-term debt financings of $15.0 million and $25.0 million, respectively. The net proceeds of these financings were used to refinance short-term borrowings. Short-term borrowings were reduced by $45.2 million in the first three months of 2010 which reflects the net borrowing (repayment) of bank borrowings under our revolving credit agreement. Other uses of cash include $3.8 million for quarterly dividend payments and $3.8 million related to gas supply inventory financing. Proceeds from issuances of common stock provided a source of cash of $0.2 million, and all other uses of cash were $0.3 million.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, the Company is sometimes required to make difficult, subjective and/or

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complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgment, the financial position of the Company could be materially affected and the results of operations of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 10, 2010.

Regulatory Accounting – The Company's principal business is the distribution of electricity and natural gas by the three distribution utilities: Unitil Energy, Fitchburg and Northern Utilities. Unitil Energy and Fitchburg are subject to regulation by the FERC. Fitchburg is also regulated by the MDPU, Unitil Energy is regulated by the NHPUC and Northern Utilities is regulated by the MPUC and NHPUC. Granite State, the Company's natural gas transmission pipeline, is regulated by the FERC. Accordingly, the Company uses the Regulated Operations guidance as set forth in the FASB Codification. The Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

Regulatory Assets consist of the following (millions)

	March 31,		December 31,
	2010	2009	2009
Energy Supply Contract Obligations	**$ 31.2**	$ 47.7	$ 34.7
Deferred Restructuring Costs	**27.7**	30.6	28.3
Generation-related Assets	**—**	0.6	—
Subtotal – Restructuring Related Items	**58.9**	78.9	63.0
Retirement Benefit Obligations	**43.8**	45.3	43.7
Income Taxes	**14.0**	15.6	14.5
Environmental Obligations	**21.9**	22.0	22.7
Deferred Storm Charges	**19.6**	0.6	14.6
Other	**8.2**	12.0	7.9
Total Regulatory Assets	**$ 166.4**	$ 174.4	$ 166.4
Less: Current Portion of Regulatory Assets[(1)]	**19.0**	30.2	21.9
Regulatory Assets - noncurrent	**$ 147.4**	$ 144.2	$ 144.5

(1) Reflects amounts included in Accrued Revenue on the Company's Consolidated Balance Sheets.

The Company receives a return on investment on its regulated assets for which a cash outflow has been made. Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated distribution and transmission utilities will recover their investments in long-lived assets, including regulatory assets. If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of the FASB Codification topic on Regulated Operations. If unable to continue to apply the FASB Codification provisions for Regulated Operations, the Company would be required to apply the provisions for the Discontinuation of Rate-Regulated Accounting included in the FASB Codification. In the Company's opinion, its regulated operations will be subject to the FASB Codification provisions for Regulated Operations for the foreseeable future.

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Utility Revenue Recognition – Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. However, the determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts – The Company recognizes a provision for doubtful accounts each month based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. At the end of each month, an analysis of the delinquent receivables is performed which takes into account an assumption about the cash recovery of delinquent receivables. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company's distribution utilities are authorized by regulators to recover the costs of their energy commodity portion of bad debts through rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

Retirement Benefit Obligations – The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

The Company records on its balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs.

The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO. If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2009 and 2008, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $300,000 and $200,000, respectively, in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2009 and 2008, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $735,000 and $675,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $576,000 and $531,000, respectively. See Note 8 to the accompanying Consolidated Financial Statements.

Income Taxes – Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes.

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These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets.

Depreciation – Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies – The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with the FASB Codification as it applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of March 31, 2010, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to "Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

As of March 31, 2010, the Company and its subsidiaries had 433 employees. The Company considers its relationship with employees to be good and has not experienced any major labor disruptions.

As of March 31, 2010, 149 of the Company's employees were represented by labor unions. These employees are covered by collective bargaining agreements. Two agreements expire on May 31, 2010, one agreement expires on June 5, 2010 and one agreement expires on March 31, 2012. The agreements provide discreet salary adjustments, established work practices and uniform benefit packages. The Company expects to successfully negotiate new agreements prior to their expiration dates.

INTEREST RATE RISK

As discussed above, Unitil meets its external financing needs by issuing short-term and long-term debt. The majority of debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new issuances of long-term debt securities. In addition, short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease interest expense in future periods. For example, if the average amount of short-term debt outstanding was $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000. The average interest rates on the Company's short-term borrowings for the three months ended March 31, 2010 and March 31, 2009 were 2.26% and 4.78%, respectively.

MARKET RISK

Although Unitil's three distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

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REGULATORY MATTERS

Please refer to Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

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Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions, except common shares and per share data)
(UNAUDITED)

	Three Months Ended March 31, 2010	2009
Operating Revenues		
Gas	**$ 61.1**	$ 72.4
Electric	**50.8**	62.1
Other	**1.1**	1.1
Total Operating Revenues	**113.0**	135.6
Operating Expenses		
Purchased Gas	**38.3**	48.4
Purchased Electricity	**35.8**	47.2
Operation and Maintenance	**12.2**	10.4
Conservation & Load Management	**1.7**	1.1
Depreciation and Amortization	**7.1**	6.3
Provisions for Taxes:		
Local Property and Other	**3.1**	3.0
Federal and State Income	**3.9**	5.3
Total Operating Expenses	**102.1**	121.7
Operating Income	**10.9**	13.9
Other Non-Operating Expense (Income)	**0.1**	—
Income Before Interest Expense	**10.8**	13.9
Interest Expense, Net	**4.3**	4.8
Net Income	**6.5**	9.1
Less: Dividends on Preferred Stock	**—**	—
Earnings Applicable to Common Shareholders	**$ 6.5**	$ 9.1
Weighted Average Common Shares Outstanding – Basic (000's)	**10,801**	8,018
Weighted Average Common Shares Outstanding – Diluted (000's)	**10,803**	8,018
Earnings Per Common Share (Basic and Diluted)	**$ 0.61**	$ 1.14
Dividends Declared Per Share of Common Stock	**$ 0.69**	$ 0.69

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)

	(UNAUDITED) March 31, 2010	(UNAUDITED) March 31, 2009	December 31, 2009
ASSETS:			
Utility Plant:			
Electric	**$ 310.8**	$ 297.2	$ 302.3
Gas	**327.9**	309.1	325.5
Common	**29.5**	30.4	28.9
Construction Work in Progress	**24.8**	10.4	26.0
Total Utility Plant	**693.0**	647.1	682.7
Less: Accumulated Depreciation	**237.9**	218.6	233.0
Net Utility Plant	**455.1**	428.5	449.7
Current Assets:			
Cash	**8.8**	14.5	7.7
Accounts Receivable – Net of Allowance for Doubtful Accounts of $3.0, $3.7 and $2.5	**40.3**	51.9	33.5
Accrued Revenue	**27.4**	46.1	44.0
Gas Inventory	**6.6**	8.7	14.3
Materials and Supplies	**2.9**	3.1	2.6
Prepayments and Other	**3.8**	2.9	4.7
Total Current Assets	**89.8**	127.2	106.8
Noncurrent Assets:			
Regulatory Assets	**147.4**	144.2	144.5
Other Noncurrent Assets	**25.6**	22.4	24.2
Total Noncurrent Assets	**173.0**	166.6	168.7
TOTAL	**$ 717.9**	$ 722.3	$ 725.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) March 31, 2010	(UNAUDITED) March 31, 2009	December 31, 2009
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 192.6**	$ 148.5	$ 193.1
Preferred Stock	**2.0**	2.0	2.0
Long-Term Debt, Less Current Portion	**288.7**	249.2	248.9
Total Capitalization	**483.3**	399.7	444.0
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.4	0.4
Accounts Payable	**17.8**	29.9	25.1
Short-Term Debt	**19.3**	87.7	64.5
Energy Supply Contract Obligations	**18.1**	21.6	23.1
Other Current Liabilities	**32.1**	32.5	16.6
Total Current Liabilities	**87.7**	172.1	129.7
Deferred Income Taxes	**34.3**	29.1	39.8
Noncurrent Liabilities:			
Energy Supply Contract Obligations	**19.4**	31.2	21.7
Retirement Benefit Obligations	**68.2**	69.7	65.5
Environmental Obligations	**14.3**	11.4	14.3
Other Noncurrent Liabilities	**10.7**	9.1	10.2
Total Noncurrent Liabilities	**112.6**	121.4	111.7
TOTAL	**$ 717.9**	$ 722.3	$ 725.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Operating Activities:		
Net Income	**$ 6.5**	$ 9.1
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	**7.1**	6.3
Deferred Tax Provision	**(5.2)**	(1.8)
Changes in Current Assets and Liabilities:		
Accounts Receivable	**(6.8)**	(12.2)
Accrued Revenue	**16.6**	9.4
Gas Inventory	**7.7**	22.9
Accounts Payable	**(7.3)**	1.4
All other Current Assets and Liabilities	**6.8**	(1.4)
Other, net	**(1.1)**	(1.9)
Cash Provided by Operating Activities	**24.3**	31.8
Investing Activities:		
Property, Plant and Equipment Additions	**(10.3)**	(18.0)
Cash (Used in) Investing Activities	**(10.3)**	(18.0)
Financing Activities:		
Proceeds from (Repayment of) Short-Term Debt	**(45.2)**	13.6
Proceeds from Issuance of Long-Term Debt	**40.0**	—
Net Decrease in Gas Inventory Financing	**(3.8)**	(26.8)
Dividends Paid	**(3.8)**	(2.8)
Proceeds from Issuance of Common Stock, net	**0.2**	5.4
Other, net	**(0.3)**	(0.2)
Cash (Used in) Financing Activities	**(12.9)**	(10.8)
Net Increase in Cash	**1.1**	3.0
Cash at Beginning of Period	**7.7**	11.5
Cash at End of Period	**$ 8.8**	$ 14.5
Supplemental Cash Flow Information:		
Interest Paid	**$ 2.0**	$ 2.6
Income Taxes Paid	**1.0**	—

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (Unitil Energy), Fitchburg Gas and Electric Light Company (Fitchburg), Northern Utilities, Inc. (Northern Utilities), Granite State Gas Transmission, Inc. (Granite State), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, a natural gas distribution utility serving customers in Maine and New Hampshire, from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite State, an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (NiSource) pursuant to the Stock Purchase agreement dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil (the "Acquisitions"). The final purchase price allocation is disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on February 10, 2010.

Unitil's principal business is the local distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire and the greater Fitchburg area of north central Massachusetts and the local distribution of natural gas in southeastern New Hampshire, portions of southern and central Maine and in the greater Fitchburg area of north central Massachusetts. Unitil has three distribution utility subsidiaries, Unitil Energy, which operates in New Hampshire, Fitchburg, which operates in Massachusetts and Northern Utilities, which operates in New Hampshire and Maine (collectively referred to as the distribution utilities).

Granite State is a natural gas transportation pipeline, operating 87 miles of underground gas transmission pipeline primarily located in Maine, New Hampshire and Massachusetts. Granite State provides Northern Utilities with interconnection to three major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north. Granite State derives its revenues principally from the transportation services provided to Northern Utilities and, to a lesser extent, third –party marketers.

A fifth utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve Unitil Energy's customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service; Unitil Realty; and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology, energy management and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three months ended March 31, 2010 are not necessarily indicative of results to be expected for the year ending December 31, 2010. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of

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Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2009, as filed with the Securities and Exchange Commission (SEC) on February 10, 2010, for a description of the Company's Basis of Presentation.

As a result of the issuance of new common shares, discussed below, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Accounting Codification–In June 2009, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles", (SFAS No. 168). SFAS No. 168 was effective for financial statements for interim and annual periods ending after September 15, 2009. The Company has adopted SFAS No. 168 and therefore all references by the Company to authoritative accounting principles recognized by the FASB reflect the FASB Codification.

Derivatives – The Company has a regulatory approved hedging program for Northern Utilities designed to fix a portion of its gas supply costs for the coming year of service. In order to fix these costs, the Company purchases natural gas futures contracts on the New York Mercantile Exchange (NYMEX) that correspond to the associated delivery month. Any gains or losses on the fair value of these derivatives are passed through to ratepayers directly through a regulatory commission approved recovery mechanism. The fair value of these derivatives is determined using Level 2 inputs (valuations based on quoted prices available in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are directly observable, and inputs derived principally from market data), specifically based on the NYMEX closing prices for outstanding contracts as of the balance sheet date. As a result of the ratemaking process, the Company records gains and losses as regulatory liabilities or assets, recognizes such gains or losses in Purchased Gas and these gains and losses are passed through to customers through rate reconciling mechanisms.

As of March 31, 2010 and December 31, 2009, the Company had 1.2 billion and 1.9 billion cubic feet (BCF), respectively, outstanding in natural gas purchase contracts under its hedging program. The following table provides information on the hedging instruments.

Natural Gas Futures Contracts ($millions)

	As of March 31, 2010		As of December 31, 2009	
Balance Sheet Location	Current and Noncurrent	Liabilities	Current and Noncurrent	Liabilities
Fair Value	$	1.9	$	2.3
Amount of Gain (Loss) Recognized in Regulatory Asset / Liability for Derivatives [1]	$	(3.1)	$	(2.9)

For the Three Months Ended March 31, 2010

Location of Gain (Loss) Reclassified from Regulatory Asset / Liability into Consolidated Statement of Earnings		Purchased Gas
Amount of Gain (Loss) Reclassified from Regulatory Asset / Liability into Consolidated Statement of Earnings	$	(2.3)

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(1) Includes approximately $1.2 million of loss on contracts designated for April 2010 that were physically sold in March 2010 and the impact on the Consolidated Balance Sheet has been deferred until April 2010 when the natural gas is used.

Subsequent Events – On April 15, 2010 Unitil Energy filed a proposed base rate increase of $10.1 million which represents an increase of 6.5 percent above present rates. Unitil Energy requested temporary rates to be effective July 1, 2010. In addition, Unitil Energy requested adjustments for a Rate Year Step Adjustment, a Large Capital Project Step Adjustment and a long-term rate plan establishing step adjustments associated with the Company's Reliability Enhancement Plan and Vegetation Management Plan. A decision from the NHPUC on Unitil Energy's rate increase request may take up to one year.

The Company has evaluated all events or transactions through the date of this filing. During this period, the Company did not have any material subsequent events that impacted its consolidated financial statements.

Reclassifications – Based on the Company's analysis certain amounts previously reported have been reclassified to improve the financial statements' presentation and to conform to current year presentation.

Recently Issued Pronouncements – There are no recently issued pronouncements that the Company has not already adopted.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
03/25/10	05/14/10	04/30/10	$ 0.345
01/14/10	02/16/10	02/02/10	$ 0.345
09/23/09	11/16/09	11/2/09	$ 0.345
06/18/09	08/14/09	07/31/09	$ 0.345
03/26/09	05/15/09	05/01/09	$ 0.345
01/15/09	02/16/09	02/02/09	$ 0.345

NOTE 3 – COMMON STOCK AND PREFERRED STOCK

Common Stock

The Company's common stock trades under the symbol, "UTL".

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the authorized shares of the Company's common stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's common stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. The Company had 10,859,442, 8,105,540 and 10,836,759 of common shares outstanding at March 31, 2010, March 31, 2009 and December 31, 2009, respectively.

Unitil Corporation Common Stock Offering – Between December 2008 and June 2009, the Company sold 4,970,000 shares of its common stock at a price of $20.00 per share in registered public offerings. The Company used the net proceeds of $93.1 million from these offerings primarily to complete the acquisition of Northern Utilities and Granite State. Please see Note 3 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2009 as filed with the SEC on February 10, 2010 for additional information.

Dividend Reinvestment and Stock Purchase Plan – During the first quarter of 2010, the Company sold 10,328 shares of its Common Stock, at an average price of $21.78 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $225,000 were used to reduce short-term borrowings.

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During the first quarter of 2009, the Company sold 11,663 shares of its Common Stock, at an average price of $20.29 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $237,000 were used to reduce short-term borrowings.

Restricted Stock Plan – The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 5, 2010, 12,520 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $262,920. There were 42,000 and 49,053 non-vested shares under the Plan as of March 31, 2010 and 2009, respectively. The weighted average grant date fair value of these shares was $22.13 and $23.06, respectively. The compensation expense associated with the issuance of shares under the Plan is being recognized over the vesting period and was $0.1 million and $0.1 million for the three months ended March 31, 2010 and 2009, respectively. At March 31, 2010, there was approximately $1.1 million of total unrecognized compensation cost under the Plan which is expected to be recognized over approximately 2.9 years. There were 165 restricted shares forfeited under the Plan during the three months ended March 31, 2010. There were no cancellations under the Plan during the three months ended March 31, 2010.

Preferred Stock

Details on preferred stock at March 31, 2010, March 31, 2009 and December 31, 2009 are shown below:

(Amounts in Millions)

	March 31,		December 31,
	2010	2009	2009
Preferred Stock			
UES Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	$ 0.2	$ 0.2	$ 0.2
FG&E Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	0.8	0.8	0.8
8.00% Series, $100 Par Value	1.0	1.0	1.0
Total Preferred Stock	$ 2.0	$ 2.0	$ 2.0

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NOTE 4 – LONG-TERM DEBT, CREDIT ARRANGEMENTS AND GUARANTEES

Long-Term Debt

Details on long-term debt at March 31, 2010, March 31, 2009 and December 31, 2009 are shown below ($ Millions):

	March 31, 2010	March 31, 2009	December 31, 2009
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
5.24% Series, Due March 2, 2020	**15.0**	—	—
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Northern Utilities Senior Notes:			
6.95% Senior Notes, Series A, Due December 3, 2018	**30.0**	30.0	30.0
5.29% Senior Notes, Due March 2, 2020	**25.0**	—	—
7.72% Senior Notes, Series B, Due December 3, 2038	**50.0**	50.0	50.0
Granite State Senior Notes:			
7.15% Senior Notes, Due December 15, 2018	**10.0**	10.0	10.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due Through August 1, 2017	**4.1**	4.6	4.3
Total Long-Term Debt	**289.1**	249.6	249.3
Less: Current Portion	**0.4**	0.4	0.4
Total Long-term Debt, Less Current Portion	**$ 288.7**	$ 249.2	$ 248.9

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at March 31, 2010 is estimated to be approximately $310 million, before considering any costs, including prepayment costs, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

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On March 2, 2010, UES completed the sale of $15 million of First Mortgage Bonds through a private placement to institutional investors. The First Mortgage Bonds have a maturity of ten years and a coupon rate of 5.24%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

On March 2, 2010, Northern Utilities completed the sale of $25 million of Senior Unsecured Notes through a private placement to institutional investors. The Senior Unsecured Notes have a maturity of ten years and a coupon rate of 5.29%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

Credit Arrangements

At March 31, 2010, the Company had $19.3 million in short-term debt outstanding through bank borrowings under its revolving credit facility. The revolving credit facility contains customary terms and conditions for credit facilities of this type, including, without limitation, covenants restricting the Company's ability to incur liens, merge or consolidate with another entity or change its line of business. The revolving credit agreement also contains a covenant restricting the Company's ability to permit long-term debt to exceed 65% of capitalization at the end of each fiscal quarter. As of March 31, 2010, the Company was in compliance with the financial covenants contained in the revolving credit agreement.

On October 13, 2009, the Company entered into an amendment to its 364-day revolving credit facility with Bank of America, as administrative agent, and a syndicate of lenders. The Company originally entered into the facility on November 26, 2008. The amendment increases the maximum borrowings under the facility from $60 million to $80 million.

Northern enters into asset management agreements under which Northern releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was $6.2 million and $5.0 million outstanding at March 31, 2010 and March 31, 2009, respectively, related to these asset management agreements.

Guarantees

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of March 31, 2010 there are $39.2 million of guarantees outstanding and the longest of these guarantees extends through December 31, 2010. Of this amount, $12.0 million is related to Unitil's guarantee of payment for the term of the Northern Utilities' gas storage Agreement discussed above.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of March 31, 2010, the principal amount outstanding for the 8% Unitil Realty notes was $4.1 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite State notes due 2018. As of March 31, 2010, the principal amount outstanding for the 7.15% Granite State notes was $10.0 million. This guarantee will terminate if Granite State reorganizes and merges with and into Northern Utilities.

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NOTE 5 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three months ended March 31, 2010 and March 31, 2009:

Three Months Ended March 31, 2010 (Millions)	Electric	Gas	Other	Non-Regulated	Total
Revenues	**$ 50.8**	**$ 61.1**	**$ —**	**$ 1.1**	**$ 113.0**
Segment Profit	**1.3**	**4.6**	**0.2**	**0.4**	**6.5**
Identifiable Segment Assets	**357.3**	**348.5**	**7.9**	**4.2**	**717.9**
Capital Expenditures	**6.9**	**2.8**	**0.6**	**—**	**10.3**
Three Months Ended March 31, 2009 (Millions)					
Revenues	$ 62.1	$ 72.4	$ —	$ 1.1	$ 135.6
Segment Profit (Loss)	1.5	7.6	(0.4)	0.4	9.1
Identifiable Segment Assets	355.5	354.8	10.2	1.8	722.3
Capital Expenditures	13.3	4.6	0.1	—	18.0

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2009 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 10, 2010.

Legal Proceedings

A putative class action Complaint was filed against Fitchburg on January 7, 2009 in Worcester Superior Court in Worcester, Massachusetts, captioned Bellerman v. Fitchburg Gas and Electric Light Company. On April 1, 2009 an Amended Complaint was filed in Worcester Superior Court and served on Fitchburg. The Amended Complaint seeks an unspecified amount of damages including the cost of temporary housing and alternative fuel sources, emotional and physical pain and suffering and property damages allegedly incurred by customers in connection with the loss of electric service during the ice storm in Fitchburg's service territory in December, 2008. The Amended Complaint includes M.G.L. ch. 93A claims for purported unfair and deceptive trade practices related to the December 2008 Storm. On September 4, 2009, the Superior Court issued its order on the Company's Motion to Dismiss the Complaint, granting it in part and denying it in part. The Company anticipates that the court will decide whether the lawsuit is appropriate for class action treatment in the fall of 2010. The Company continues to believe the suit is without merit, and will defend itself vigorously.

Regulatory Matters

Unitil Energy Rate Case Filing – On April 15, 2010 Unitil Energy filed a proposed base rate increase of $10.1 million which represents an increase of 6.5 percent above present rates. Unitil Energy requested temporary rates to be effective July 1, 2010. In addition, Unitil Energy requested adjustments for a Rate Year Step Adjustment, a Large Capital Project Step Adjustment and a long-term rate plan establishing step adjustments associated with the Company's Reliability Enhancement Plan and Vegetation Management Plan. A decision from the NHPUC on Unitil Energy's rate increase request may take up to one year.

Major Ice Storm – On December 11 and 12, 2008, a severe ice storm (December 2008 Ice Storm) struck the New England region. The Company spent approximately $23 million for the repair and replacement of electric distribution systems damaged during the storm, including $8.3 million related to capital construction and $15.0 million, including carrying charges, which has been deferred as a regulatory asset, based on orders issued by the MDPU and NHPUC, discussed below. Also, the Company expensed $3.0 million for professional fees related to

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the ice storm, in addition to normal anticipated expenditures related to emergency storm preparedness. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. However, if it were ultimately determined that certain of these costs were not recoverable in rates, and/or the Company were required to incur additional costs to defend itself, there may be a significant impact on the Company's results of operations in future periods.

The MDPU conducted an investigation of Fitchburg's preparation for and response to the December 2008 Ice Storm during the first half of 2009. On November 2, 2009, the MDPU issued its order with respect to its investigation, finding that Fitchburg's preparation for, and response to, the December 2008 Ice Storm constituted a failure of the Company to meet its public service obligation to provide safe and reliable service. As a result, the MDPU ordered a comprehensive independent management audit of Fitchburg's management practices, and also directed Fitchburg to implement a series of operational and capital improvements which had been identified and recommended through the Company's self-assessment review. On April 20, 2010 the Company issued Requests for Proposals to perform the independent management audit in accordance with the schedule set by the MDPU. Finally, the MDPU noted that the costs incurred by Fitchburg for the December 2008 Ice Storm would be subject to review in Fitchburg's next electric rate case, along with Fitchburg's rate of return.

On July 28, 2009, Fitchburg filed with the MDPU a petition for approval to defer and record as a regulatory asset approximately $11.5 million of costs associated with the repair of its electric distribution system from damage caused by the December 2008 Ice Storm for future recovery in rates. On December 30, 2009, the MDPU approved the request. The order of approval made no findings as to whether the subject expenses were reasonable or whether they can be recovered from ratepayers, and that the MDPU will consider the subsequent ratemaking treatment of the expense as part of Fitchburg's next rate case. As of March 31, 2010, March 31, 2009 and December 31, 2009, Fitchburg has deferred approximately $12.6 million, $0.4 million and $12.3 million of costs, respectively, including carrying charges, associated with the repair of its electric distribution system for future recovery in rates.

On August 26, 2009, Unitil Energy filed a petition with the NHPUC requesting an accounting order authorizing Unitil Energy to record as a regulatory asset approximately $2 million in expenses associated with network damage from the December 2008 Ice Storm until such time as the Commission issues a final order in Unitil Energy's next base rate case. On November 9, 2009, the NHPUC granted the requested accounting order, clarifying that such issues as the appropriate amount of the storm related expenses to be recovered, the timing and manner of recovery, and what, if any, return should be applied to the unrecovered balance are issues that will be deferred to Unitil Energy's next rate case. As of March 31, 2010, March 31, 2009 and December 31, 2009, Unitil Energy has deferred approximately $2.4 million, $0.2 million and $2.3 million of costs, respectively, including carrying charges, associated with the repair of its electric distribution system for future recovery in rates.

On December 3, 2009, the NHPUC issued its final report regarding its review of the December 2008 Ice Storm. The report stated that the NHPUC will commence an adjudicative proceeding to examine the reasonableness of Unitil's response to the December 2008 Ice Storm. On January 8, 2010, the NHPUC opened a docket to consider Unitil Energy's response to the December 2008 Ice Storm, including the timing of its response, its restoration priorities and strategies and the procurement and allocation of its resources in New Hampshire and Massachusetts. This matter remains pending.

Fitchburg – Electric Division – On November 25, 2009, Fitchburg submitted its annual reconciliation of costs and revenues for Transition and Transmission under its restructuring plan (the Annual Reconciliation Filing). In addition, the Standard Offer Service and Default Service Costs incurred during the seven year Standard Offer Service period that ended February 28, 2005 have been combined and recovery is proposed through a Transition Charge Surcharge of $0.00400 per kWh. Changes to the Pension/PBOP Adjustment and Residential Assistance Adjustment Factor were proposed in other proceedings. The rates were approved effective January 1, 2010, subject to reconciliation pending investigation by the MDPU. This matter remains pending. A final order approving Fitchburg's 2008 Annual Reconciliation Filing was issued on April 12, 2010.

On November 12, 2009, the Governor of Massachusetts signed House Bill 4329. The bill (i) requires the MDPU to establish regulations for utilities to respond to emergencies, (ii) requires utilities to file with the MDPU annual emergency response plans, (iii) authorizes the MDPU to impose penalties for a utility's failure to comply with the MDPU's regulations, and (iv) allows the chair of the MDPU to issue operational and management directives

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during an emergency. The bill also authorizes the Massachusetts Attorney General to bring a court action for receivership of a small investor-owned utility where an emergency exists and the utility has materially violated the MDPU's standards for responding to emergencies. On February 2, 2010, the MDPU issued an order adopting the items required by House Bill 4329.

Fitchburg – Gas Operations – On November 2, 2009 the MDPU issued an order finding that Fitchburg engaged in certain price stabilization practices for the 2007 / 2008 and 2008 / 2009 heating seasons without the MDPU's prior approval and that Fitchburg's gas purchasing practices were imprudent. As a result, the MDPU required Fitchburg to refund $4.6 million of natural gas costs, plus an appropriate carrying charge based on the prime lending rate, to its gas customers. The Company recorded a pre-tax charge of $4.9 million in the fourth quarter of 2009 based on the MDPU's order. On November 30, 2009, the MDPU approved Fitchburg's proposal to amortize its refund of natural gas costs to customers over a five-year period. Fitchburg has appealed the gas procurement Order to the Massachusetts Supreme Judicial Court. Fitchburg believes that its gas-procurement practices were consistent with those of other Massachusetts natural gas distribution companies and all relevant MDPU rules and orders and Massachusetts law. This appeal remains pending before the Massachusetts Supreme Judicial Court. Immediately after the MDPU opened its investigation of this matter in March 2009, Fitchburg ceased making the gas procurement purchases in question and filed a request with the MDPU for approval of a gas procurement plan for future gas purchases. This matter remains pending before the MDPU.

During the summer of 2009, Fitchburg operated its gas system entirely on local production from LNG for approximately three months due to construction on the lateral from Tennessee Gas Pipeline, which is the sole source of pipeline gas to Fitchburg. During this time Fitchburg provided gas LNG supply to all firm sales customers and also to the retail marketers for delivery to firm customers who have contracted for third party supply. Fitchburg's management of this project was reviewed by the MDPU during its last Integrated Resource Plan proceeding, before the shutdown occurred. In its order, the MDPU stated it would investigate the costs associated with the shutdown in Fitchburg's March 2010 Cost of Gas Adjustment Clause filing when its actual costs will be reconciled with its projected costs.

Fitchburg – Other – On June 22, 2007, the MDPU opened an inquiry into revenue decoupling for gas and electric distribution utilities, generally defined as a ratemaking mechanism designed to eliminate or reduce the dependence of a utility's distribution revenues on sales. Revenue decoupling is intended to remove the disincentive a utility has to promote efforts to reduce energy consumption by its customers or to facilitate installation of distributed generation to displace electricity delivered by the utility. On July 16, 2008, the MDPU issued an order establishing a comprehensive plan for decoupling to be adopted by gas and electric distribution utilities on a going-forward basis, including company-specific rate cases. Lost base revenue recovery associated with incremental energy efficiency savings will be allowed through 2012 consistent with the MDPU's expectation that, with limited exceptions, distribution companies will be operating under decoupling plans by year-end 2012.

On February 11, 2009, the MA Supreme Judicial Court (SJC) issued its decision in the Attorney General's (AG) appeal of the MDPU orders relating to Fitchburg's recovery of bad debt expense. The SJC agreed with the AG that the MDPU was required to hold hearings regarding changes in Fitchburg's tariff and rates, and on that basis vacated the MDPU orders. The Court, however, declined to rule on an appropriate remedy, and remanded the cases back to the MDPU for consideration of that issue. This matter remains pending before the MDPU.

On July 2, 2008, the Governor of Massachusetts signed into law "The Green Communities Act" (the GC Act), an energy policy statute designed to substantially increase energy efficiency and the development of renewable energy resources in Massachusetts. The GC Act provides for utilities to recover in rates the incremental costs associated with its various mandated programs. Several regulatory proceedings have been initiated to implement various provisions of the GC Act, including provisions for each distribution company to file enhanced three year energy efficiency investment plans, plans to establish smart grid pilot programs, proposals to purchase long-term contracts for renewable energy, and special tariffs to allow the net metering of customer-owned renewable generation. Three year energy efficiency investment plans, plans to establish smart grid pilot programs, and net metering tariffs have been approved by the MDPU. Proposals to purchase long-term contracts for renewable energy are under review in a separately designated docket.

Unitil Energy – Other – In July 2008, the State of New Hampshire enacted legislation that allows electric utilities to make investments in distributed energy resources, including energy efficiency and demand reduction technologies, as well as clean cogeneration and renewable generation. On August 5, 2009 Unitil Energy filed a plan for approval of investment in and rate recovery for Distributed Energy Resources. This matter remains pending before the NHPUC.

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On February 25, 2010, a significant wind storm struck portions of the New England region, causing extensive damage to electric facilities and loss of service to significant numbers of customers of several utilities. An estimated one million electric customers in the region were affected, including approximately 85% of the Company's customers. Unitil Energy was able to restore power to 96% percent of its customers by day three, and its final customers, including those with individual service problems, were restored by day four. As a result of this storm, the Company estimates that it has spent approximately $9.0 million for the repair and replacement of electric distribution systems damaged during the storm. Unitil Energy, in its base rate case filing discussed above, has requested recovery in rates for the costs associated with the emergency repair of its electric distribution system for damage caused by this storm. The amount and timing of the cost recovery of these storm restoration expenditures will be determined in the base rate case proceeding. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. However, if it were ultimately determined that certain of these costs were not recoverable in rates, and/or the Company were required to incur additional costs to defend itself, there may be a significant impact on the Company's results of operations in future periods.

Northern Utilities – On November 21, 2008, the MPUC issued an order approving a settlement agreement resolving a number of Notices of Probable Violation ("NOPVs") of certain safety related procedures and rules by Northern Utilities. Under the Settlement, Northern Utilities will incur total expenditures of approximately $3.8 million for safety related improvements to Northern's distribution system to ensure compliance with the relevant state and federal gas safety laws, for which no rate recovery will be allowed. These compliance costs were accrued by Northern Utilities prior to the acquisition date and the remaining amount on the Company's balance sheet at March 31, 2010 was $2.3 million.

On June 27, 2008 the MPUC opened an investigation of Northern Utilities' cast iron pipe replacement activities and the benefits of an accelerated replacement program for cast iron distribution pipe remaining in the Portland and Westbrook service areas. Northern Utilities has filed a proposed accelerated replacement program for the MPUC's consideration. A final decision on this matter is expected by year-end.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2009 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 10, 2010.

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company believes it is in compliance with applicable environmental and safety laws and regulations, and the Company believes that as of March 31, 2010, there were no material losses reasonably likely to be incurred in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included on the Company's Consolidated Balance Sheet at March 31, 2010, March 31, 2009 and December 31, 2009 are non-current accrued liabilities totaling $12.0 million, $10.8 million and $12.0 million, respectively, related to estimated future clean up costs for permanent remediation of a former manufactured gas plant (MGP) site at Sawyer Passway, located in Fitchburg, Massachusetts. The amounts recorded do not assume any amounts are recoverable from insurance companies or other third parties. Also included on the Company's Consolidated Balance Sheet at March 31, 2010, March 31, 2009 and December 31, 2009 are current and non-current accrued liabilities totaling $2.5 million, $2.4 million and $2.5 million, respectively, associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were recorded to reflect that the recovery of these environmental remediation costs is probable through the regulatory process.

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NOTE 8: RETIREMENT BENEFIT OBLIGATIONS

The Company co-sponsors the Unitil Corporation Retirement Plan (Pension Plan), the Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan), and the Unitil Corporation Supplemental Executive Retirement Plan (SERP) to provide certain pension and postretirement benefits for its retirees and current employees. Please see Note 9 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2009 as filed with the SEC on February 10, 2010 for additional information regarding these plans.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2010	**2009**
Used to Determine Plan Costs		
Discount Rate	**5.75%**	6.25%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**7.50%**	8.00%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2017

The following table provides the components of the Company's Retirement plan costs ($000's):

	Pension Plan		**PBOP Plan**		**SERP**	
Three Months Ended March 31,	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Service Cost	**$ 652**	$ 571	**$ 367**	$ 357	**$ 71**	$ 54
Interest Cost	**1,114**	1,073	**504**	578	**57**	45
Expected Return on Plan Assets	**(1,045)**	(1,108)	**(150)**	(89)	**—**	—
Prior Service Cost Amortization	**63**	66	**395**	428	**1**	—
Transition Obligation Amortization	**—**	—	**5**	5	**—**	—
Actuarial Loss Amortization	**601**	399	**—**	—	**33**	18
Sub-total	**1,385**	1,001	**1,121**	1,279	**162**	117
Amounts Capitalized and Deferred	**(622)**	(282)	**(350)**	(358)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 763**	$ 719	**$ 771**	$ 921	**$ 162**	$ 117

Employer Contributions

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. Included in the PPA were new minimum funding rules which went into effect for plan years beginning in 2008. The funding target was 100% of a plan's liability (as determined under the PPA) with any shortfall amortized over seven years, with lower (92% - 100%) funding targets available to well-funded plans during the transition period. Due to the significant declines in the valuation of capital markets during 2008, the Worker, Retiree, and Employer Recovery Act of 2008 (Recovery Act) was signed into law on December 23, 2008. Included in the Recovery Act are temporary modifications to the minimum funding rules set forth in the PPA such that all plans, except those that were subject to deficit reduction contribution requirements in 2007, are allowed to amortize any shortfall from the lower funding targets, rather than the 100% target, for the 2008 - 2010 plan years. This did not affect the Company's Pension Plan in 2009 as its Pension Plan was 94% funded under the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as of January 1, 2008 and met the exemption from the shortfall amortization. The Company expects to contribute approximately $4.0 million to fund its Pension Plan in 2010.

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As of March 31, 2010, the Company had made $13,000 of contributions to the SERP Plan in 2010. The Company presently anticipates contributing $3.5 million to the PBOP Plan and an additional $40,000 to the SERP Plan in 2010.

NOTE 9: INCOME TAXES

The Company bills its customers sales tax in Massachusetts and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2009 and for the current interim reporting period ended March 31, 2010 in accordance with the FASB Codification, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by the FASB Codification is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2006; December 31, 2007; and December 31, 2008. Income tax filings for the year ended December 31, 2009 have been extended until September 15, 2010. In its Federal Income Tax return filings for the year ended December 31, 2008, the Company recognized net operating loss (NOL) carrybacks against its Federal Income Tax returns for the years ended December 31, 2006 and 2007 in the amounts of $5.0 million and $6.7 million, respectively. These NOL carrybacks resulted in a refund to the Company of $4.0 million which was received in November 2009. According to Internal Revenue Code rules, NOL refunds in excess of $2.0 million fall under the jurisdiction of the Joint Committee of Congress (Joint Committee) and are subject to review by the Internal Revenue Service (IRS) and attorneys of the Joint Committee. As a result, on December 30, 2009, the Company received notice that its Federal Income Tax return filings for the years ended December 31, 2006, December 31, 2007, and December 31, 2008 are under examination by the IRS. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no material interest and penalties recognized in the statement of earnings or accrued on the balance sheet.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

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Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2009 as filed with the SEC on February 10, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended March 31, 2010.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), adopted by the Company on March 26, 2009, the Company periodically repurchased shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. There was no pool or maximum number of shares related to these purchases; however, the trading plan automatically terminated when $83,000 in value of shares were purchased so that, as of March 31, 2010, the value of shares that may yet be purchased under that trading plan was $0.

The Company adopted a new written trading plan under Rule 10b5-1 under the Exchange Act on March 25, 2010, covering the period March 25, 2010 through March 25, 2011. The Company may suspend or terminate this trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws. There is no pool or maximum number of shares related to these purchases; however, the trading plan will terminate when $80,700 in value of shares have been purchased or, if sooner, on March 25, 2011.

The Company's repurchases are shown in the table below for the monthly periods noted:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
1/1/10 – 1/31/10	—	—	—
2/1/10 – 2/28/10	—	—	—
3/1/10 – 3/31/10	139	$ 22.24	139
Total	139	$ 22.24	139

Item 5. Other Information

On April 27, 2010, the Company issued a press release announcing its results of operations for the three-month period ended March 31, 2010. The press release is furnished with the Quarterly Report on Form 10-Q as Exhibit 99.1.

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Item 6. *Exhibits*

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated April 27, 2010 Announcing Earnings For the Quarter Ended March 31, 2010.	Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	UNITIL CORPORATION
	(Registrant)
Date: April 27, 2010	/s/ Mark H. Collin
	Mark H. Collin Chief Financial Officer
Date: April 27, 2010	/s/ Laurence M. Brock
	Laurence M. Brock Chief Accounting Officer

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EXHIBIT INDEX

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32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated April 27, 2010 Announcing Earnings For the Quarter Ended March 31, 2010.	Filed herewith

EXHIBIT 11

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING
(Millions, except for per share data)
(UNAUDITED)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Net Income	**$ 6.5**	$ 9.1
Less: Dividend Requirements on Preferred Stock	**—**	—
Net Income Applicable to Common Stock	**$ 6.5**	$ 9.1
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**10,801**	8,018
Dilutive Effect of Stock Options and Restricted Stock (000's)	**2**	—
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**10,803**	8,018
Earnings Per Share – Basic	**$ 0.61**	$ 1.14
Earnings Per Share – Diluted	**$ 0.61**	$ 1.14

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2010
/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2010
/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2010
/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	April 27, 2010
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	April 27, 2010
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	April 27, 2010

For Immediate Release

Exhibit 99.1

Contact: Mark H. Collin
Phone: 603-773-6612
Fax: 603-773-6605
Email: collin@unitil.com

Unitil Reports First Quarter Earnings

Hampton, NH – April 27, 2010: Unitil Corporation (NYSE: UTL) (www.unitil.com) today announced Earnings Applicable to Common Shareholders of $6.5 million for the first quarter of 2010 compared to 2009 first quarter earnings of $9.1 million. Earnings per common share (EPS) were $0.61 for the three months ended March 31, 2010 compared to EPS of $1.14 in the first quarter of 2009. Earnings per share in the first quarter of 2010 are not directly comparable with 2009 due to a 35% increase in average common shares outstanding year over year resulting from the issuance of new common equity in 2009 to complete the financing of the Company's acquisition of Northern Utilities and Granite State.

"Lower sales due to warmer than normal winter temperatures and the continued slow economic recovery in the region resulted in significantly lower earnings in the first quarter of 2010 compared to last year," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "Over the next 12 to 18 months we will be filing for rate relief for all our utility subsidiaries to align our revenues and operating costs and to recover the significant investments we are making to provide safe, reliable and cost effective electric and gas service to our customers. On April 15, 2010 we filed the first of these rate cases seeking a $10.1 million rate adjustment for our electric operations in New Hampshire."

Natural gas sales margin decreased $1.4 million in the three months ended March 31, 2010 compared to the same period in 2009 reflecting lower sales volumes. Total therm sales of natural gas decreased 6.5% in the three months ended March 31, 2010 compared to the same period in 2009, reflecting decreases of 7.8% and 6.0% in sales to residential and commercial and industrial (C&I) customers, respectively. The lower sales in the first three months of 2010 reflect a milder winter heating season this year. There were 7.6% fewer Heating Degree Days in the Company's service territories in the first quarter of 2010 compared to the same period in 2009. On a weather-normalized basis, natural gas sales decreased by 2.7% in the three months ended March 31, 2010 compared to the same period in 2009.

Electric sales margin decreased $0.3 million in the three months ended March 31, 2010 compared to the same period in 2009, reflecting lower sales volumes. Total electric kilowatt-hour (kWh) sales decreased 1.8% in the three months ended March 31, 2010 compared to the same period in 2009 driven by lower average usage per customer reflecting the milder winter weather as well as energy conservation efforts by our customers. On a weather-normalized basis, kWh sales in the three months ended March 31, 2010 were flat compared to the same period in 2009.

Selected financial data for 2010 is presented in the following table:

Unitil Corporation - Condensed Financial Data

(Millions, except Per Share Data) (Unaudited)

	Three Months Ended March 31, 2010	2009	Change
Gas Therm Sales:			
Residential	17.8	19.3	(7.8%)
Commercial/Industrial	54.6	58.1	(6.0%)
Total Gas Therm Sales	**72.4**	**77.4**	**(6.5%)**
Electric kWh Sales:			
Residential	177.7	180.6	(1.6%)
Commercial/Industrial	237.5	242.1	(1.9%)
Total Electric kWh Sales	**415.2**	**422.7**	**(1.8%)**
Gas Revenues	$ 61.1	$ 72.4	$ (11.3)
Purchased Gas	39.1	49.0	(9.9)
Gas Sales Margin	**22.0**	**23.4**	**(1.4)**
Electric Revenues	50.8	62.1	(11.3)
Purchased Electricity	36.7	47.7	(11.0)
Electric Sales Margin	**14.1**	**14.4**	**(0.3)**
Usource Sales Margin	**1.1**	**1.1**	**—**
Total Sales Margin	**37.2**	**38.9**	**(1.7)**
Operation & Maintenance	12.2	10.4	1.8
Depreciation, Amortization, Taxes & Other	14.2	14.6	(0.4)
Interest Expense, Net	4.3	4.8	(0.5)
Earnings Applicable to Common Shareholders	**$ 6.5**	**$ 9.1**	**$ (2.6)**
Earnings Per Share	**$ 0.61**	**$ 1.14**	**$ (0.53)**

Operation & Maintenance (O&M) expenses increased $1.8 million in the three months ended March 31, 2010 compared to the same period in 2009. The increase in O&M expenses primarily reflects higher utility operating costs associated with the completion of the transition and full integration of Northern Utilities and Granite State operations into the Company's consolidated operating results in the current period.

Depreciation, Amortization, Taxes and Other expenses decreased $0.4 million in the three months ended March 31, 2010 compared to the same period in 2009. Higher depreciation expense on utility plant additions were offset by lower amortization and lower income taxes on lower pre-tax earnings in the quarter.

Interest Expense, Net decreased $0.5 million in the three months ended March 31, 2010 compared to the same period in 2009 reflecting higher acquisition related debt fees incurred in 2009 and lower average borrowings in the current quarter.

Also in the first quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

Additionally, EPS in the first quarter of 2010 reflect a higher number of average shares outstanding year over year. In May and June 2009, the Company sold 2,700,000 shares of its common stock at a price of $20.00 per share in a registered public offering. The Company used the net proceeds of $51.2 million from this offering to complete the acquisition of Northern Utilities and Granite State.

As a result of the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

The Company will hold a quarterly conference call to discuss first quarter 2010 results on Tuesday, April 27, 2010, at 2:00 p.m. Eastern Time. This call is being webcast by Thomson Financial and can be accessed in the Investor Relations section of Unitil Corporation's website, www.unitil.com. Institutional investors can access the call via Thomson StreetEvents (www.streetevents.com), a password-protected event management site.

About Unitil

Unitil Corporation is a public utility holding company headquartered in Hampton, New Hampshire. Unitil's principal business is the local distribution of electricity and natural gas in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three distribution utilities: (i) Unitil Energy Systems, Inc., which provides electric service in the southeastern seacoast and state capital regions of New Hampshire; (ii) Fitchburg Gas and Electric Light Company, which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and (iii) Northern Utilities, Inc., which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine. In addition, Unitil is the parent company of Granite State Gas Transmission, Inc., an interstate natural gas transmission pipeline in New Hampshire and Maine. Together, Unitil's operating utilities serve approximately 100,500 electric customers and 70,000, natural gas customers. Unitil's non-regulated business, Usource, also provides energy brokering and advisory services to large commercial and industrial customers in the northeastern United States.

This press release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. All statements, other than statements of historical fact, are forward-looking statements. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to the following: variations in weather; changes in the regulatory environment; customers' preferences on energy sources; general economic conditions; increased competition; fluctuations in supply, demand, transmission capacity and prices for energy commodities; and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of Unitil Corporation.

For more information, visit Unitil at www.unitil.com or call Mark Collin at 603-773-6612.

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended June 30, 2010

Commission File Number 1-8858

UNITIL CORPORATION
(Exact name of registrant as specified in its charter)

New Hampshire **(State or other jurisdiction of incorporation or organization)**	**02-0381573** **(I.R.S. Employer Identification No.)**
6 Liberty Lane West, Hampton, New Hampshire **(Address of principal executive office)**	**03842-1720** **(Zip Code)**

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer ☐ Accelerated filer ☒

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 26, 2010
Common Stock, No par value	**10,870,981 Shares**

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended June 30, 2010

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PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company headquartered in Hampton, New Hampshire. Unitil is subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, Inc. (Northern Utilities), a natural gas distribution utility serving customers in New Hampshire and Maine, from Bay State Gas Company and (ii) all of the outstanding capital stock of Granite State Gas Transmission, Inc. (Granite), an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (the Acquisition).

Unitil's principal business is the local distribution of electricity and natural gas throughout its service territory in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly-owned distribution utilities:

i) Unitil Energy Systems, Inc. (Unitil Energy), which provides electric service in southeastern seacoast and state capital regions of New Hampshire;

ii) Fitchburg Gas and Electric Light Company (Fitchburg), which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and

iii) Northern Utilities, which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland and the Lewiston-Auburn area.

Unitil Energy, Fitchburg and Northern Utilities are collectively referred to as the "distribution utilities." Together, the distribution utilities serve approximately 100,500 electric customers and 70,000 natural gas customers in their service territory.

In addition, Unitil is the parent company of Granite, a natural gas transmission pipeline, regulated by the FERC, operating 87 miles of underground gas transmission pipeline primarily located in Maine and New Hampshire. Granite provides Northern Utilities with interconnection to three major natural gas pipelines and access to pipeline supplies.

The distribution utilities are local "pipes and wires" operating companies and, combined with Granite, had an investment in Net Utility Plant of $456.6 million at June 30, 2010. Unitil's total operating revenue includes revenue to recover the approved cost of purchased electricity and natural gas in rates on a fully reconciling basis. As a result of this reconciling rate structure, the Company's earnings are not affected by changes in the cost of purchased electricity and natural gas. Earnings from Unitil's utility operations are derived from the return on investment in the three distribution utilities and Granite.

Unitil also conducts non-regulated operations principally through Usource, which is wholly-owned by Unitil Resources Inc., a wholly-owned subsidiary of Unitil. Usource provides energy brokering and consulting services to large commercial and industrial customers in the northeastern United States. The Company's other subsidiaries include Unitil Service Corp., which provides, at cost, a variety of administrative and professional services to Unitil's affiliated companies, Unitil Realty Corp., which owns and manages Unitil's corporate office building and property located in Hampton, New Hampshire and Unitil Power Corp., which formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. Unitil's consolidated net income includes the earnings of the holding company and these subsidiaries.

RATES AND REGULATION

Base Rate Cases:

On April 15, 2010, Unitil Energy filed a proposed annual base rate increase of $10.1 million with the New Hampshire Public Utilities Commission (NHPUC), which represents an increase of 6.5 percent above present rates. Unitil Energy's filing also included a long-term rate plan establishing base rate step adjustments associated with future planned capital additions and targeted reliability enhancement and vegetation management programs. In its rate filing, Unitil Energy requested that rates initially be set at a lower level on a temporary basis.

On June 29, 2010, the NHPUC issued an order approving a temporary rate increase for Unitil Energy. The order provides for a temporary rate increase of $5.2 million (annual) effective July 1, 2010 which will be collected by applying a uniform per kilowatt-hour (kWh) surcharge of $0.00438 to each of Unitil Energy's current rate schedules. Of the $5.2 million rate increase, $500,000 of the increase is intended to permit Unitil Energy to annually recover expenses incurred during the December 2008 ice storm and another $500,000 of the increase is intended to fund higher planned vegetation management program expenditures. Once permanent rates are approved by the NHPUC, they will be reconciled to the date temporary rates were ordered, July 1, 2010. Final review and approval by the NHPUC of Unitil Energy's permanent base rate increase request is currently scheduled to be completed by February 2011.

On June 29, 2010, Granite filed a proposed base transportation rate increase with the FERC, which is Granite's first filing for a rate change since its last general rate case in 1997. If approved as filed, the rate increase would provide for an increase of approximately $3 million in revenue on an annual basis. The rate case filing reflects a rate base of $18.3 million which includes $4.2 million of capital additions to be made through the end of 2010.

In addition to its request for new base transportation rates, Granite, in its rate case filing, is seeking approval to implement a capital cost surcharge that would allow Granite to implement a rate surcharge annually to recover projected capital expenditures of approximately $12.7 million during the three-year time period 2011-2013. Granite expects the FERC regulatory process to result in an effective date of January 1, 2011 for the requested rate increase.

Additionally, Fitchburg and Northern Utilities are currently preparing base rate cases and anticipate filing them with their respective regulatory commissions within the next year.

Other:

Unitil is subject to comprehensive regulation by federal and state regulatory authorities. Unitil and its subsidiaries are subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005 in regards to certain bookkeeping, accounting and reporting requirements. Unitil's utility operations related to wholesale and interstate energy business activities are also regulated by FERC. Unitil's distribution utilities are subject to regulation by the applicable state public utility commissions, in regards to their rates, issuance of securities and other accounting and operational matters: Unitil Energy is subject to regulation by the NHPUC; Fitchburg is subject to regulation by the Massachusetts Department of Public Utilities (MDPU); and Northern Utilities is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's distribution utilities deliver electricity and/or natural gas to all customers in their service territory, at rates established under traditional cost of service regulation. Under this regulatory structure, Unitil's distribution utilities recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. As a result of a restructuring of the utility industry in New Hampshire, Massachusetts and Maine, Unitil's customers have the opportunity to purchase their electricity or natural gas supplies from third party suppliers. A majority of Unitil's largest commercial and industrial (C&I) customers purchase their electric and natural gas supplies from third party suppliers. However, most residential and small customers continue to purchase their electric and natural gas supplies through Unitil's distribution utilities. Unitil's distribution utilities purchase electricity or natural gas from unaffiliated wholesale suppliers and recover the actual costs of these supplies on a pass-through basis, as well as certain costs associated with industry restructuring, through reconciling rate mechanisms that are periodically adjusted.

The regulatory process in both New Hampshire and Maine, in connection with those states' approvals of the Acquisitions, included the negotiation and filing of settlement agreements reflecting commitments by Unitil with respect to Northern Utilities' rates, customer service and operations. The settlement agreements were separately negotiated and filed in each state but reflect a number of common features. For additional discussion, please refer to Unitil's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 10, 2010.

CAUTIONARY STATEMENT

This report and the documents we incorporate by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include those described in Item 1A (Risk Factors) and the following:

- The Company's ability to achieve the estimated potential synergy savings attributable to the Acquisitions;
- The Company's ability to retain existing customers and gain new customers;
- Variations in weather;
- Major storms;
- Recovery of deferred major storm costs;
- Recovery of energy commodity costs;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;
- General economic conditions that could have an adverse impact on the availability of credit and liquidity resources generally and could jeopardize certain of our counterparty obligations, including those of our insurers and financial institutions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' performance under multi-year energy brokering contracts.

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended June 30, 2010 and June 30, 2009 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Part I, Item 1 of this report.

Between December 2008 and June 2009 the Company issued 5.0 million common shares to complete the Acquisition. As a result of the Acquisition and the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the Acquisition and stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Earnings Overview

The Company's Earnings (Loss) Applicable to Common Shareholders was a net loss of ($2.1) million for the second quarter of 2010, compared to earnings of $0.2 million for the second quarter of 2009. For the six months ended June 30, 2010, the Company reported net income of $4.4 million compared to $9.3 million for the same period of 2009. Results for the second quarter were driven primarily by higher depreciation and interest expense and lower gas sales margins due to warmer regional temperatures.

Earnings (loss) per common share (EPS) were ($0.19) and $0.41 for the three and six month periods ended June 30, 2010 compared with $0.03 and $1.10 for the same periods of 2009. The Company's results of operations for 2010 are not directly comparable with 2009 due to the issuance of 5.0 million common shares between December 2008 and June 2009 to complete the financing of the Company's acquisition of Northern Utilities and Granite.

Natural gas sales margin decreased $2.4 million and $3.8 million in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. Total natural gas therm sales were 5.1% and 6.0% lower in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. Lower gas therm sales in the Company's utility service territories reflect the effect of warmer temperatures in 2010, where there were approximately 22% and 12% fewer Heating Degree Days in the three and six month periods, respectively, compared to the prior year.

Electric sales margin increased $0.4 million and $0.1 million in the three and six months ended June 30, 2010 compared to the same periods in 2009, reflecting higher electric kilowatt-hour (kWh) sales. Total kWh sales increased 5.3% and 1.5% in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009 reflecting increased sales to all customer groups.

O&M expenses decreased $0.4 million and increased $1.4 million for the three and six months ended June 30, 2010, respectively, compared to 2009. The changes in O&M reflect higher utility operating costs and lower professional fees. The increases in utility operating expenses reflect the full integration of Northern Utilities and Granite into the Company's consolidated operating results.

Depreciation and Amortization expense increased $0.7 million and $1.5 million in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009 reflecting normal utility plant additions.

Interest Expense, Net increased $0.8 million and $0.3 million in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. In March 2010, Unitil Energy and Northern Utilities collectively issued $40 million of long-term debt which is contributing to the higher interest expense in the three and six month periods. Furthermore, net interest expense in 2010 reflects the permanent financing of Northern Utilities and Granite, which was completed in the second quarter of 2009.

Provisions for Federal and State Income Taxes decreased by $2.5 million due to lower pre-tax income in 2010 compared to 2009.

All other items increased $0.3 million and $0.5 million in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009, primarily reflecting higher property and payroll taxes.

Usource, our non-regulated energy brokering business, recorded revenues of $1.1 million and $2.2 million in the three and six month periods ended June 30, 2010, respectively, which were flat compared to the same periods of 2009. Usource's revenues are primarily derived from fees and charges billed to suppliers as customers take delivery of energy from these suppliers under term contracts brokered by Usource.

Additionally, EPS in the three and six months ended June 30, 2010 reflect a higher number of average shares outstanding year over year, as discussed above.

In 2009, Unitil's annual common dividend was $1.38, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock. At its January, 2010, March, 2010 and June 2010 meetings, the Unitil Board of Directors declared quarterly dividends on the Company's common stock of $0.345 per share.

A more detailed discussion of the Company's results of operations for the three and six months ended June 30, 2010 and a period-to-period comparison of changes in financial position are presented below.

Gas Sales, Revenues and Margin

Therm Sales – Total therm sales of natural gas decreased 5.1% and 6.0% in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. Lower gas therm sales in the Company's utility service territories reflect the effect of warmer temperatures in 2010, where there were approximately 22% and 12% fewer Heating Degree Days in the three and six month periods, respectively, compared to the prior year.

The following table details total firm therm sales for the three and six months ended June 30, 2010 and 2009, by major customer class:

Therm Sales (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2010	**2009**	**Change**	**% Change**	**2010**	**2009**	**Change**	**% Change**
Residential	**6.6**	6.9	(0.3)	(4.3%)	**24.4**	26.2	(1.8)	(6.9%)
Commercial / Industrial	**27.0**	28.5	(1.5)	(5.3%)	**81.6**	86.6	(5.0)	(5.8%)
Total	**33.6**	35.4	(1.8)	(5.1%)	**106.0**	112.8	(6.8)	(6.0%)

Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three and six months ended June 30, 2010 and 2009:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2010	**2009**	**$ Change**	**% Change(1)**	**2010**	**2009**	**$ Change**	**% Change(1)**
Gas Operating Revenue:								
Residential	**$10.0**	$ 9.6	$ 0.4	1.7%	**$35.8**	$40.0	$ (4.2)	(4.4%)
Commercial / Industrial	**13.7**	13.8	(0.1)	(0.4%)	**49.0**	55.8	(6.8)	(7.1%)
Total Gas Operating Revenue	**$23.7**	$23.4	$ 0.3	1.3%	**$84.8**	$95.8	$(11.0)	(11.5%)
Cost of Gas Sales:								
Purchased Gas	**$14.3**	$11.8	$ 2.5	10.7%	**$52.6**	$60.2	$ (7.6)	(7.9%)
Conservation & Load Management	**0.8**	0.6	0.2	0.9%	**1.6**	1.2	0.4	0.4%
Gas Sales Margin	**$ 8.6**	$11.0	$ (2.4)	(10.3%)	**$30.6**	$34.4	$ (3.8)	(4.0%)

(1) Represents change as a percent of Total Gas Operating Revenue.

Total Gas Operating Revenues increased $0.3 million, or 1.3%, and decreased $11.0 million, or 11.5%, in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. Total Gas Operating Revenues include the recovery of the approved cost of gas sales, which are recorded as Purchased Gas and Conservation & Load Management (C&LM) in Operating Expenses. The increase in Total Gas Operating Revenues in the second quarter of 2010 reflects higher Purchased Gas revenues of $2.5 million and higher C&LM revenues of $0.2 million, partially offset by lower gas sales margin of $2.4 million. The decrease in Total Gas Operating Revenues in the first six months of 2010 reflects lower Purchased Gas revenues of $7.6 million and lower gas sales margin of $3.8 million, partially offset by higher C&LM revenues of $0.4 million.

The Purchased Gas and C&LM components of Gas Operating Revenues increased a combined $2.7 million, or 11.6%, of Total Gas Operating Revenue and decreased a combined $7.2 million, or 7.5%, of Total Gas Operating Revenue in the three and six month periods ended June 30, 2010 compared to the same periods in 2009. The increase in the second quarter of 2010 is due to higher natural gas commodity costs, increased spending on energy efficiency and conservation programs, partially offset by lower natural gas sales. Also, Purchased Gas in the second quarter of 2010 reflects an adjustment of $0.8 million due to the recognition, for consistency purposes, of commodity-related bad debt expense previously recorded in O&M expense in the first quarter of 2010. The decrease in the six month period of 2010 primarily reflects lower sales of natural gas, partially offset by increased spending on energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Natural gas sales margin decreased $2.4 million and $3.8 million in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. The decrease in the three month period principally reflects lower sales of natural gas, which reflect the effect of warmer temperatures, of approximately $0.5 million, lower estimated unbilled revenue in the current period of $1.1 million and the recognition of commodity-related bad debt, discussed above, of $0.8 million. The decrease in the six month period principally reflects lower sales of natural gas, which reflect the effect of the milder winter heating season, of approximately $2.1 million and lower estimated unbilled revenue in the current period of $1.7 million.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – Total electric kilowatt-hour (kWh) sales increased 5.3% and 1.5% in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009 reflecting increased sales to all customer groups.

The following table details total kWh sales for the three and six months ended June 30, 2010 and 2009 by major customer class:

kWh Sales (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2010	2009	Change	% Change	2010	2009	Change	% Change
Residential	**148.3**	141.1	7.2	5.1%	**326.0**	321.7	4.3	1.3%
Commercial/Industrial	**245.8**	233.2	12.6	5.4%	**483.3**	475.3	8.0	1.7%
Total	**394.1**	374.3	19.8	5.3%	**809.3**	797.0	12.3	1.5%

Electric Operating Revenues and Sales Margin – The following table details total Electric Operating Revenues and Sales Margin for the three and six month periods ended June 30, 2010 and 2009:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2010	2009	$ Change	% Change(1)	2010	2009	$ Change	% Change(1)
Electric Operating Revenue:								
Residential	**$23.8**	$23.3	$ 0.5	1.1%	**$51.9**	$ 56.4	$ (4.5)	(4.1%)
Commercial/Industrial	**22.8**	23.7	(0.9)	(1.9%)	**45.5**	52.7	(7.2)	(6.6%)
Total Electric Operating Revenue	**$46.6**	$47.0	$ (0.4)	(0.8%)	**$97.4**	$109.1	$ (11.7)	(10.7%)
Cost of Electric Sales:								
Purchased Electricity	**$31.7**	$33.4	$ (1.7)	(3.6%)	**$67.5**	$ 80.6	$ (13.1)	(12.0%)
Conservation & Load Management	**1.7**	0.8	0.9	1.9%	**2.6**	1.3	1.3	1.2%
Electric Sales Margin	**$13.2**	$12.8	$ 0.4	0.9%	**$27.3**	$ 27.2	$ 0.1	0.1%

(1) Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenue, decreased by $0.4 million, or 0.8%, and $11.7 million, or 10.7%, in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. Total Electric Operating Revenues include the recovery of the approved cost of electric sales, which are recorded as Purchased Electricity and C&LM in Operating Expenses. The decrease in Total Electric Operating Revenues in the second quarter of 2010 reflects lower Purchased Electricity revenues of $1.7 million, partially offset by higher C&LM revenues of $0.9 million and higher electric sales margin of $0.4 million. The decrease in Total Electric Operating Revenues in the first six months of 2010 reflects lower Purchased Electricity revenues of $13.1 million, partially offset by higher C&LM revenues of $1.3 million and higher electric sales margin of $0.1 million.

The Purchased Electricity and C&LM components of Total Electric Operating Revenues decreased a combined $0.8 million, or 1.7%, and $11.8 million, or 10.8%, of Total Electric Operating Revenues in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. These decreases primarily reflect an increase in the amount of electricity purchased by customers directly from third-party suppliers, partially offset by higher spending on energy efficiency and conservation programs and increased sales. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin increased $0.4 million and $0.1 million in the three and six months ended June 30, 2010 compared to the same periods in 2009, reflecting higher electric kWh sales, as discussed above.

Operating Revenue - Other

The following table details total Other Revenue for the three and six months ended June 30, 2010 and 2009:

Other Revenue (000's)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2010	**2009**	**$ Change**	**% Change**	**2010**	**2009**	**$ Change**	**% Change**
Other	**$1.1**	$1.1	$ —	—	**$2.2**	$2.2	$ —	—
Total Other Revenue	**$1.1**	$1.1	$ —	—	**$2.2**	$2.2	$ —	—

Total Other Revenue was on par in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. Other Revenues represents revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

Purchased Gas – Purchased Gas expenses include the cost of gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas increased $2.5 million, or 21.2%, and decreased $7.6 million, or 12.6%, in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. The increase in the second quarter of 2010 is due to higher natural gas commodity costs partially offset by lower sales of natural gas. Also, Purchased Gas in the second quarter of 2010 reflects an adjustment of $0.8 million due to the recognition, for consistency purposes, of commodity-related bad debt expense previously recorded in O&M expense in the first quarter of 2010. The decrease in the six month period of 2010 primarily reflects lower sales of natural gas. The Company recovers the approved costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

Purchased Electricity – Purchased Electricity expenses include the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. Purchased Electricity decreased $1.7 million, or 5.1%, and $13.1 million, or 16.3%, in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. These decreases primarily reflect an increase in the amount of electricity purchased by customers directly from third-party suppliers and lower electric commodity costs, partially offset by increased sales. The Company recovers the approved costs of Purchased Electricity in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

Operation and Maintenance (O&M) – O&M expense includes electric and gas utility operating costs, and the operating cost of the Company's unregulated business activities. Total O&M expenses decreased $0.4 million, or 3.3%, and increased $1.4 million, or 6.3%, for the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. The changes in O&M reflect higher utility operating costs and lower professional fees. Utility operating costs primarily consist of compensation and benefit costs, utility distribution and transmission system maintenance costs, bad debt expenses, office expenses and insurance costs. The increases in utility operating expenses reflect the full integration of Northern Utilities and Granite into the Company's consolidated operating results.

Conservation & Load Management – Conservation and Load Management expenses are expenses associated with the development, management, and delivery of the Company's energy efficiency programs. Energy efficiency programs are designed, in conformity to state regulatory requirements, to help consumers use natural gas and electricity more efficiently and thereby decrease their energy usage. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 60% of these costs are related to electric operations and 40% to gas operations.

Total C&LM expenses increased $1.1 million, or 78.6% and $1.7 million, or 68.0%, in the three and six month periods ended June 30, 2010 compared to the same periods in 2009. These approved costs are collected from customers on a pass through basis and therefore, fluctuations in program costs do not affect earnings.

Depreciation, Amortization and Taxes

Depreciation and Amortization – Depreciation and Amortization expense increased $0.7 million, or 10.9%, and $1.5 million, or 11.8% in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. These increases reflect higher depreciation on normal utility plant additions.

Local Property and Other Taxes – Local Property and Other Taxes increased $0.3 million and $0.4 million in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. These increases reflect higher local property tax rates on higher levels of utility plant in service and higher payroll taxes on higher compensation expenses.

Federal and State Income Taxes – Federal and State Income Taxes were lower by $1.1 million and $2.5 million in the three and six month periods ended June 30, 2010 compared to the same periods in 2009 reflecting lower pre-tax earnings in the current periods.

Other Non-Operating Expenses (Income)

Other Non-Operating Expenses were on par in the three month period ended June 30, 2010 compared to the same period in 2009 and increased by $0.1 million in the six month period ended June 30, 2010 compared to the same period in 2009.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. In addition, certain reconciling rate mechanisms used by the Company's distribution operating utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

Unitil's utility subsidiaries operate a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the distribution utilities' rate tariffs, interest is accrued on these balances and will produce either interest income or interest expense. Consistent with regulatory precedent, interest income is recorded on an under-collection of costs which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

Interest Expense, Net (Millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
Interest Expense						
Long-term Debt	**$ 5.1**	$ 4.5	$ 0.6	**$ 9.8**	$ 9.1	$ 0.7
Short-term Debt	**0.3**	0.6	(0.3)	**0.8**	1.1	(0.3)
Regulatory Liabilities	**0.1**	0.1	—	**0.2**	0.1	0.1
Subtotal Interest Expense	**5.5**	5.2	0.3	**10.8**	10.3	0.5
Interest (Income)						
Regulatory Assets	**(0.9)**	(0.6)	(0.3)	**(1.7)**	(1.3)	(0.4)
AFUDC[1] and Other	**(0.1)**	(0.9)	0.8	**(0.3)**	(0.5)	0.2
Subtotal Interest (Income)	**(1.0)**	(1.5)	0.5	**(2.0)**	(1.8)	(0.2)
Total Interest Expense, Net	**$ 4.5**	$ 3.7	$ 0.8	**$ 8.8**	$ 8.5	$ 0.3

[1] AFUDC – Allowance for Funds Used During Construction.

Interest Expense, Net increased $0.8 million and $0.3 million in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. In March 2010, Unitil Energy and Northern Utilities collectively issued $40 million of long-term debt which is contributing to the higher interest expense in the three and six month periods. Furthermore, net interest expense in 2010 reflects the permanent financing of Northern Utilities and Granite, which was completed in the second quarter of 2009.

On March 2, 2010, Unitil Energy completed the sale of $15 million of First Mortgage Bonds through a private placement to institutional investors. The First Mortgage Bonds have a maturity of ten years and a coupon rate of 5.24%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

On March 2, 2010, Northern Utilities completed the sale of $25 million of Senior Unsecured Notes through a private placement to institutional investors. The Senior Unsecured Notes have a maturity of ten years and a coupon rate of 5.29%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities. The Company initially supplements internally-generated funds through bank borrowings, as needed, under its unsecured short-term bank credit facility. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets. The Company's utility operations are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows.

The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

At June 30, 2010, the Company had $24.6 million in short-term debt outstanding through bank borrowings under its revolving credit facility. The revolving credit facility contains customary terms and conditions for credit facilities of this type, including certain financial covenants. As of June 30, 2010, the Company was in compliance with the financial covenants contained in the revolving credit facility.

Northern Utilities enters into asset management agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was $8.5 million, $3.1 million and $10.0 million outstanding at June 30, 2010, June 30, 2009 and December 31, 2009, respectively, related to these asset management agreements.

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of June 30, 2010 there are $40.8 million of guarantees outstanding and the longest of these guarantees extends through October 31, 2011. Of this amount, $12.0 million is related to Unitil's guarantee of payment for the term of the Northern Utilities' gas storage Agreement discussed above.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite. As of June 30, 2010, the principal amount outstanding for the 8% Unitil Realty notes was $4.0 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite notes due 2018. As of June 30, 2010, the principal amount outstanding for the 7.15% Granite notes was $10.0 million.

Off-Balance Sheet Arrangements

The Company and its subsidiaries do not currently use, and are not dependent on the use of, off-balance sheet financing arrangements such as securitization of receivables or obtaining access to assets or cash through special purpose entities or variable interest entities. Unitil's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their vehicles, machinery and office equipment under both capital and operating lease arrangements.

Cash Flows

Unitil's utility operations, taken as a whole, are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows. The tables below summarize the major sources and uses of cash (in millions) for the six months ended June 30, 2010 compared to the same period in 2009.

	Six Months Ended June 30,	
	2010	**2009**
Cash Provided by Operating Activities	**$ 27.0**	$ 53.5

Cash Provided by Operating Activities – Cash Provided by Operating Activities was $27.0 million in the first six months of 2010 compared to $53.5 million in the same period of 2009. In the first six months of 2010 as compared to the first six months of 2009, net sources of cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes decreased by $6.1 million, changes in current assets and liabilities decreased $19.9 million, and changes in all other Operating Activities decreased $0.5 million. The $19.9 million decrease in changes in current assets and liabilities primarily resulted from a decrease in gas inventory of $19.9 million driven by changes in natural gas prices. The Company finances its gas inventory requirements with asset management agreements (see Credit Arrangements in Note 4).

	Six Months Ended June 30,	
	2010	**2009**
Cash (Used in) Investing Activities	**$(19.2)**	$(32.2)

Cash (Used in) Investing Activities – Cash (Used in) Investing Activities was ($19.2) million for the six months ended June 30, 2010 compared to ($32.2) million for the same period in 2009. The Company recorded ($1.3) million of the total expenditures related to the February 2010 wind storm as capital spending and the remaining ($5.9) of expenditures have been deferred as a regulatory asset for future recovery in rates. Capital spending in the same period of 2009 included ($7.5) million related to the December 2008 ice storm and ($6.1) million of acquisition costs related to the acquisition of Northern Utilities and Granite. All other capital spending in the first six months of 2010 was ($17.9) million compared to ($18.6) million in the same period of 2009. Capital expenditures are projected to be approximately ($64.0) million in 2010 and ($60.0) million in 2011, reflecting normal electric and gas utility system additions.

	Six Months Ended June 30,	
	2010	**2009**
Cash (Used in) Financing Activities	**$ (9.2)**	$ (22.5)

Cash Provided by (Used in) Financing Activities – Cash Provided by (Used in) Financing Activities was ($9.2) million in the six months ended June 30, 2010 compared to ($22.5) million for the same period in 2009. In March 2010, Unitil Energy and Northern Utilities closed long-term debt financings of $15.0 million and $25.0 million, respectively. The net proceeds of these financings were used to refinance short-term borrowings. Short-term borrowings were reduced by ($39.9) million in the first six months of 2010. Other uses of cash include ($7.6) million for quarterly dividend payments and ($1.6) million related to gas inventory financing. Proceeds from issuances of common stock provided a source of cash of $0.5 million, and all other uses of cash were ($0.3) million.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, the Company is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgment, the financial position of the Company could be materially affected and the results of operations of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 10, 2010.

Regulatory Accounting – The Company's principal business is the distribution of electricity and natural gas by the three distribution utilities: Unitil Energy, Fitchburg and Northern Utilities. Unitil Energy and Fitchburg are subject to regulation by the FERC. Fitchburg is also regulated by the MDPU, Unitil Energy is regulated by the NHPUC and Northern Utilities is regulated by the MPUC and NHPUC. Granite, the Company's natural gas transmission pipeline, is regulated by the FERC. Accordingly, the Company uses the Regulated Operations guidance as set forth in the FASB Codification. The Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

Regulatory Assets consist of the following (millions)

	June 30, 2010	June 30, 2009	December 31, 2009
Energy Supply Contract Obligations	**$ 27.8**	$ 42.8	$ 34.7
Deferred Restructuring Costs	**26.9**	27.5	28.3
Generation-related Assets	**—**	0.4	—
Subtotal – Restructuring Related Items	**54.7**	70.7	63.0
Retirement Benefit Obligations	**43.7**	46.2	43.7
Income Taxes	**13.3**	15.3	14.5
Environmental Obligations	**21.2**	21.9	22.7
Deferred Storm Charges	**21.7**	12.5	14.6
Other	**8.7**	10.4	7.9
Total Regulatory Assets	**$163.3**	$177.0	$ 166.4
Less: Current Portion of Regulatory Assets(1)	**16.6**	24.0	21.9
Regulatory Assets – noncurrent	**$146.7**	$153.0	$ 144.5

(1) Reflects amounts included in Accrued Revenue on the Company's Consolidated Balance Sheets.

The Company receives a return on investment on its regulated assets for which a cash outflow has been made. Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated distribution and transmission utilities will recover their investments in long-lived assets, including regulatory assets. If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of the FASB Codification topic on Regulated Operations. If unable to continue to apply the FASB Codification provisions for Regulated Operations, the Company would be required to apply the provisions for the Discontinuation of Rate-Regulated Accounting included in the FASB Codification. In the Company's opinion, its regulated operations will be subject to the FASB Codification provisions for Regulated Operations for the foreseeable future.

Utility Revenue Recognition – Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. However, the determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts – The Company recognizes a provision for doubtful accounts each month based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. At the end of each month, an analysis of the delinquent receivables is performed which takes into account an assumption about the cash recovery of delinquent receivables. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company's distribution utilities are authorized by regulators to recover the costs of their energy commodity portion of bad debts through rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

Retirement Benefit Obligations – The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

The Company records on its balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs.

The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO. If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2009 and 2008, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $300,000 and $200,000, respectively, in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2009 and 2008, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $735,000 and $675,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $576,000 and $531,000, respectively. See Note 8 to the accompanying Consolidated Financial Statements.

Income Taxes – Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets.

Depreciation – Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies – The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with the FASB Codification as it applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of June 30, 2010, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to "Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

As of June 30, 2010, the Company and its subsidiaries had 431 employees. The Company considers its relationship with employees to be good and has not experienced any major labor disruptions.

As of June 30, 2010, 147 of the Company's employees were represented by labor unions. These employees are covered by four separate collective bargaining agreements which expire on March 31, 2012, May 31, 2012, May 31, 2013 and June 5, 2014. The agreements provide discreet salary adjustments, established work practices and uniform benefit packages. The Company expects to successfully negotiate new agreements prior to their expiration dates.

INTEREST RATE RISK

As discussed above, Unitil meets its external financing needs by issuing short-term and long-term debt. The majority of debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new issuances of long-term debt securities. In addition, short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease interest expense in future periods. For example, if the average amount of short-term debt outstanding was $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000. The average interest rates on the Company's short-term borrowings for the three months ended June 30, 2010 and June 30, 2009 were 2.33% and 4.28%, respectively. The average interest rates on the Company's short-term borrowings for the six months ended June 30, 2010 and June 30, 2009 were 2.28% and 4.53%, respectively.

MARKET RISK

Although Unitil's three distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Operating Revenues				
Gas	**$ 23.7**	$ 23.4	**$ 84.8**	$ 95.8
Electric	**46.6**	47.0	**97.4**	109.1
Other	**1.1**	1.1	**2.2**	2.2
Total Operating Revenues	**71.4**	71.5	**184.4**	207.1
Operating Expenses				
Purchased Gas	**14.3**	11.8	**52.6**	60.2
Purchased Electricity	**31.7**	33.4	**67.5**	80.6
Operation and Maintenance	**11.6**	12.0	**23.8**	22.4
Conservation & Load Management	**2.5**	1.4	**4.2**	2.5
Depreciation and Amortization	**7.1**	6.4	**14.2**	12.7
Provisions (Benefit) for Taxes:				
Local Property and Other	**2.5**	2.2	**5.6**	5.2
Federal and State Income	**(1.0)**	0.1	**2.9**	5.4
Total Operating Expenses	**68.7**	67.3	**170.8**	189.0
Operating Income	**2.7**	4.2	**13.6**	18.1
Non-Operating Expenses (Income)	**0.2**	0.2	**0.3**	0.2
Income Before Interest Expense	**2.5**	4.0	**13.3**	17.9
Interest Expense, Net	**4.5**	3.7	**8.8**	8.5
Net Income (Loss)	**(2.0)**	0.3	**4.5**	9.4
Less: Dividends on Preferred Stock	**0.1**	0.1	**0.1**	0.1
Earnings (Loss) Applicable to Common Shareholders	**$ (2.1)**	$ 0.2	**$ 4.4**	$ 9.3
Weighted Average Common Shares Outstanding – Basic (000's)	**10,820**	9,014	**10,810**	8,516
Weighted Average Common Shares Outstanding – Diluted (000's)	**10,820**	9,014	**10,811**	8,516
Earnings Per Common Share (Basic and Diluted)	**$ (0.19)**	$ 0.03	**$ 0.41**	$ 1.10
Dividends Declared Per Share of Common Stock	**$ 0.345**	$0.345	**$ 1.035**	$1.035

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)
(UNAUDITED)

	June 30, 2010	June 30, 2009	December 31, 2009
ASSETS:			
Utility Plant:			
Electric	**$310.7**	$294.1	$ 302.3
Gas	**330.2**	314.5	325.5
Common	**29.7**	27.8	28.9
Construction Work in Progress	**29.0**	13.4	26.0
Total Utility Plant	**699.6**	649.8	682.7
Less: Accumulated Depreciation	**243.0**	223.0	233.0
Net Utility Plant	**456.6**	426.8	449.7
Current Assets:			
Cash	**6.3**	10.3	7.7
Accounts Receivable – Net of Allowance for Doubtful Accounts of $3.0, $2.8 and $2.5	**27.9**	30.9	33.5
Accrued Revenue	**22.5**	31.0	44.0
Gas Inventory	**11.1**	8.5	14.3
Materials and Supplies	**3.4**	3.0	2.6
Prepayments and Other	**4.5**	4.1	4.7
Total Current Assets	**75.7**	87.8	106.8
Noncurrent Assets:			
Regulatory Assets	**146.7**	153.0	144.5
Other Noncurrent Assets	**26.6**	26.9	24.2
Total Noncurrent Assets	**173.3**	179.9	168.7
TOTAL	**$705.6**	$694.5	$ 725.2

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)

	(UNAUDITED) June 30, 2010	(UNAUDITED) June 30, 2009	December 31, 2009
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$187.0**	$195.9	$ 193.1
Preferred Stock	**2.0**	2.0	2.0
Long-Term Debt, Less Current Portion	**288.6**	249.1	248.9
Total Capitalization	**477.6**	447.0	444.0
Current Liabilities:			
Long-Term Debt, Current Portion	**0.4**	0.4	0.4
Accounts Payable	**16.7**	19.1	25.1
Short-Term Debt	**24.6**	30.6	64.5
Energy Supply Contract Obligations	**19.1**	18.1	23.1
Other Current Liabilities	**24.6**	32.9	16.6
Total Current Liabilities	**85.4**	101.1	129.7
Deferred Income Taxes	**33.6**	29.8	39.8
Noncurrent Liabilities:			
Energy Supply Contract Obligations	**17.1**	27.7	21.7
Retirement Benefit Obligations	**67.3**	71.1	65.5
Environmental Obligations	**14.3**	11.4	14.3
Other Noncurrent Liabilities	**10.3**	6.4	10.2
Total Noncurrent Liabilities	**109.0**	116.6	111.7
TOTAL	**$705.6**	$694.5	$ 725.2

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

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Operating Activities:		
Net Income	**$ 4.5**	$ 9.4
Adjustments to Reconcile Net Income to Cash		
Provided by Operating Activities:		
Depreciation and Amortization	**14.2**	12.7
Deferred Tax Provision	**(5.3)**	(2.6)
Changes in Current Assets and Liabilities:		
Accounts Receivable	**5.6**	8.8
Accrued Revenue	**21.5**	25.9
Gas Inventory	**3.2**	23.1
Accounts Payable	**(8.4)**	(9.4)
All other Current Assets and Liabilities	**0.4**	(6.2)
Deferred Regulatory and Other Charges	**(5.1)**	(12.2)
Other, net	**(3.6)**	4.0
Cash Provided by Operating Activities	**27.0**	53.5
Investing Activities:		
Property, Plant and Equipment Additions	**(19.2)**	(26.1)
Acquisition Costs	**—**	(6.1)
Cash (Used in) Investing Activities	**(19.2)**	(32.2)
Financing Activities:		
Repayment of Short-Term Debt	**(39.9)**	(43.5)
Proceeds From Issuance (Repayment of) Long-Term Debt, net	**39.7**	(0.2)
Net Decrease in Gas Inventory Financing	**(1.6)**	(28.7)
Dividends Paid	**(7.6)**	(5.6)
Proceeds from Issuance of Common Stock, net	**0.5**	56.2
Other, net	**(0.3)**	(0.7)
Cash (Used in) Financing Activities	**(9.2)**	(22.5)
Net Decrease in Cash	**(1.4)**	(1.2)
Cash at Beginning of Period	**7.7**	11.5
Cash at End of Period	**$ 6.3**	$ 10.3
Supplemental Cash Flow Information:		
Interest Paid	**$ 9.7**	$ 9.7
Income Taxes Paid	**$ 1.0**	$ 0.5

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (Unitil Energy), Fitchburg Gas and Electric Light Company (Fitchburg), Northern Utilities, Inc. (Northern Utilities), Granite State Gas Transmission, Inc. (Granite), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, a natural gas distribution utility serving customers in Maine and New Hampshire, from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite, an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (NiSource) pursuant to the Stock Purchase agreement dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil (the “Acquisitions”). The final purchase price allocation is disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on February 10, 2010.

Unitil’s principal business is the local distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire and the greater Fitchburg area of north central Massachusetts and the local distribution of natural gas in southeastern New Hampshire, portions of southern and central Maine and in the greater Fitchburg area of north central Massachusetts. Unitil has three distribution utility subsidiaries, Unitil Energy, which operates in New Hampshire, Fitchburg, which operates in Massachusetts and Northern Utilities, which operates in New Hampshire and Maine (collectively referred to as the distribution utilities).

Granite is a natural gas transportation pipeline, operating 87 miles of underground gas transmission pipeline primarily located in Maine, New Hampshire and Massachusetts. Granite provides Northern Utilities with interconnection to three major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north. Granite derives its revenues principally from the transportation services provided to Northern Utilities and, to a lesser extent, third –party marketers.

A fifth utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve Unitil Energy’s customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service; Unitil Realty; and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology, energy management and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company’s corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company’s wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three and six months ended June 30, 2010 are not necessarily indicative of results to be expected for the year ending December 31, 2010. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – “Summary of Significant Accounting Policies” of the Company’s Form 10-K for the year ended December 31, 2009, as filed with the Securities and Exchange Commission (SEC) on February 10, 2010, for a description of the Company's Basis of Presentation.

Between December 2008 and June 2009 the Company issued 5.0 million common shares to complete the Acquisition. As a result of the Acquisition and the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the Acquisition and stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Accounting Codification – In June 2009, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles", (SFAS No. 168). SFAS No. 168 was effective for financial statements for interim and annual periods ending after September 15, 2009. The Company has adopted SFAS No. 168 and therefore all references by the Company to authoritative accounting principles recognized by the FASB reflect the FASB Codification.

Derivatives – The Company has a regulatory approved hedging program for Northern Utilities designed to fix a portion of its gas supply costs for the coming year of service. In order to fix these costs, the Company purchases natural gas futures contracts on the New York Mercantile Exchange (NYMEX) that correspond to the associated delivery month. Any gains or losses resulting from the change in the fair value of these derivatives are passed through to ratepayers directly through a regulatory commission approved recovery mechanism. The fair value of these derivatives is determined using Level 2 inputs (valuations based on quoted prices available in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are directly observable, and inputs derived principally from market data), specifically based on the NYMEX closing prices for outstanding contracts as of the balance sheet date. As a result of the ratemaking process, the Company records gains and losses resulting from the change in fair value of the derivatives as regulatory liabilities or assets, then reclassifies these gains or losses into Purchased Gas when the gains and losses are passed through to customers in accordance with rate reconciling mechanisms.

As of June 30, 2010 and December 31, 2009, the Company had 1.3 billion and 1.9 billion cubic feet (BCF), respectively, outstanding in natural gas purchase contracts under its hedging program.

Liability Derivatives ($ millions)

The tables below show derivatives that are not designated as hedging instruments, under FASB ASC 815-20. As discussed above, the change in fair value related to these derivatives is recorded initially as a Regulatory Asset then reclassified to Purchased Gas in accordance with the recovery mechanism. The tables below include disclosure of the Regulatory Asset and reclassifications from the Regulatory Asset into Purchased Gas.

	As of					
	June 30, 2010		June 30, 2009		December 31, 2009	
Description	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Natural Gas Futures Contracts	Other Current Liabilities	$ 1.2	Other Current Liabilities	$ 5.5	Other Current Liabilities	$ 2.2
Natural Gas Futures Contracts	Other Noncurrent Liabilities	0.1	Other Noncurrent Liabilities	—	Other Noncurrent Liabilities	0.1
Total		$ 1.3		$ 5.5		$ 2.3

Regulatory Approved Hedging Programs	Amount of Loss Recognized in Regulatory Assets for Derivatives			
	Three Months Ended June 30, 2010		Six Months Ended June 30, 2010	
Natural Gas Futures Contracts	$	1.0	$	2.9
	Three Months Ended June 30, 2009		Six Months Ended June 30, 2009	
Natural Gas Futures Contracts	$	1.4	$	5.6

Location of Loss Reclassified into the Consolidated Statements of Earnings from Regulatory Assets	Amount of Loss Reclassified into the Consolidated Statements of Earnings from Regulatory Assets[1]			
	Three Months Ended June 30, 2010		Six Months Ended June 30, 2010	
Purchased Gas	$	1.6	$	3.9
	Three Months Ended June 30, 2009		Six Months Ended June 30, 2009	
Purchased Gas	$	2.8	$	5.8

(1) These amounts are offset in the Consolidated Statements of Earnings with Accrued Revenue and therefore there is no effect on earnings.

Subsequent Events – The Company has evaluated all events or transactions through the date of this filing. During this period, the Company did not have any material subsequent events that impacted its consolidated financial statements.

Reclassifications – Certain amounts previously reported have been reclassified to improve the financial statements' presentation and to conform to current year presentation.

Recently Issued Pronouncements – There are no recently issued pronouncements that the Company has not already adopted.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
06/17/10	08/16/10	08/02/10	$ 0.345
03/25/10	05/14/10	04/30/10	$ 0.345
01/14/10	02/16/10	02/02/10	$ 0.345
09/23/09	11/16/09	11/02/09	$ 0.345
06/18/09	08/14/09	07/31/09	$ 0.345
03/26/09	05/15/09	05/01/09	$ 0.345
01/15/09	02/16/09	02/02/09	$ 0.345

NOTE 3 – COMMON STOCK AND PREFERRED STOCK

Common Stock

The Company's common stock trades under the symbol "UTL".

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the number of authorized shares of the Company's common stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's common stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. The Company had 10,869,603, 10,816,312 and 10,836,759 of common shares outstanding at June 30, 2010, June 30, 2009 and December 31, 2009, respectively.

Unitil Corporation Common Stock Offering – Between December 2008 and June 2009, the Company sold 4,970,000 shares of its common stock at a price of $20.00 per share in registered public offerings. The Company used the net proceeds of $93.1 million from these offerings primarily to complete the acquisition of Northern Utilities and Granite. Please see Note 3 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2009 as filed with the SEC on February 10, 2010 for additional information.

Dividend Reinvestment and Stock Purchase Plan – During the first six months of 2010, the Company sold 20,639 shares of its Common Stock, at an average price of $21.80 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $450,000 were used to reduce short-term borrowings.

During the first six months of 2009, the Company sold 22,435 shares of its Common Stock, at an average price of $20.72 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans. Net proceeds of approximately $465,000 were used to reduce short-term borrowings.

Restricted Stock Plan – The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 5, 2010, 12,520 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $262,920. There were 37,797 and 44,602 non-vested shares under the Plan as of June 30, 2010 and 2009, respectively. The weighted average grant date fair value of these shares was $22.03 and $22.98, respectively. The compensation expense associated with the issuance of shares under the Plan is being recognized over the vesting period and was $0.3 million and $0.3 million for the six months ended June 30, 2010 and 2009, respectively. At June 30, 2010, there was approximately $1.0 million of total unrecognized compensation cost under the Plan which is expected to be recognized over approximately 2.7 years. There were 315 restricted shares forfeited under the Plan during the six months ended June 30, 2010. There were no cancellations under the Plan during the six months ended June 30, 2010.

Preferred Stock

Details on preferred stock at June 30, 2010, June 30, 2009 and December 31, 2009 are shown below:

(Amounts in Millions)

	June 30, 2010	June 30, 2009	December 31, 2009
Preferred Stock			
Unitil Energy Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	**$0.2**	$0.2	$ 0.2
Fitchburg Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	**0.8**	0.8	0.8
8.00% Series, $100 Par Value	**1.0**	1.0	1.0
Total Preferred Stock	**$2.0**	$2.0	$ 2.0

NOTE 4 – LONG-TERM DEBT, CREDIT ARRANGEMENTS AND GUARANTEES

Long-Term Debt

Details on long-term debt at June 30, 2010, June 30, 2009 and December 31, 2009 are shown below ($ Millions):

	June 30, 2010	June 30, 2009	December 31, 2009
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
5.24% Series, Due March 2, 2020	**15.0**	—	—
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Northern Utilities Senior Notes:			
6.95% Senior Notes, Due December 3, 2018	**30.0**	30.0	30.0
5.29% Senior Notes, Due March 2, 2020	**25.0**	—	—
7.72% Senior Notes, Due December 3, 2038	**50.0**	50.0	50.0
Granite Senior Notes:			
7.15% Senior Notes, Due December 15, 2018	**10.0**	10.0	10.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due Through August 1, 2017	**4.0**	4.5	4.3
Total Long-Term Debt	**289.0**	249.5	249.3
Less: Current Portion	**0.4**	0.4	0.4
Total Long-term Debt, Less Current Portion	**$288.6**	$249.1	$ 248.9

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at June 30, 2010 is estimated to be approximately $311 million, before considering any costs, including prepayment costs, which generally require a "make-whole" payment, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

On March 2, 2010, Unitil Energy completed the sale of $15 million of First Mortgage Bonds through a private placement to institutional investors. The First Mortgage Bonds have a maturity of ten years and a coupon rate of

5.24%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

On March 2, 2010, Northern Utilities completed the sale of $25 million of Senior Unsecured Notes through a private placement to institutional investors. The Senior Unsecured Notes have a maturity of ten years and a coupon rate of 5.29%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

Credit Arrangements

At June 30, 2010, the Company had $24.6 million in short-term debt outstanding through bank borrowings under its revolving credit facility. The revolving credit facility contains customary terms and conditions for credit facilities of this type, including, without limitation, covenants restricting the Company's ability to incur liens, merge or consolidate with another entity or change its line of business. The revolving credit agreement also contains a covenant restricting the Company's ability to permit long-term debt to exceed 65% of capitalization at the end of each fiscal quarter. As of June 30, 2010, the Company was in compliance with the financial covenants contained in the revolving credit agreement.

On October 13, 2009, the Company entered into an amendment to its 364-day revolving credit facility with Bank of America, as administrative agent, and a syndicate of lenders. The Company originally entered into the facility on November 26, 2008. The amendment increased the maximum borrowings under the facility from $60 million to $80 million.

Northern Utilities enters into asset management agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was $8.5 million, $3.1 million and $10.0 million outstanding at June 30, 2010, June 30, 2009 and December 31, 2009, respectively, related to these asset management agreements.

Guarantees

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of June 30, 2010 there are $40.8 million of guarantees outstanding and the longest of these guarantees extends through October 31, 2011. Of this amount, $12.0 million is related to Unitil's guarantee of payment for the term of the Northern Utilities' gas storage Agreement discussed above.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite. As of June 30, 2010, the principal amount outstanding for the 8% Unitil Realty notes was $4.0 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite notes due 2018. As of June 30, 2010, the principal amount outstanding for the 7.15% Granite notes was $10.0 million. This guarantee will terminate if Granite reorganizes and merges with and into Northern Utilities.

NOTE 5 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three and six months ended June 30, 2010 and June 30, 2009 (Millions):

Three Months Ended June 30, 2010	Electric	Gas	Other	Non-Regulated	Total
Revenues	**$ 46.6**	**$ 23.7**	**$—**	**$ 1.1**	**$ 71.4**
Segment Profit (Loss)	**0.7**	**(3.1)**	**—**	**0.3**	**(2.1)**
Capital Expenditures	**1.0**	**7.5**	**0.4**	**—**	**8.9**
Three Months Ended June 30, 2009					
Revenues	$ 47.0	$ 23.4	$—	$ 1.1	$ 71.5
Segment Profit (Loss)	(0.2)	(0.5)	0.5	0.4	0.2
Capital Expenditures	1.8	6.3	—	—	8.1
Six Months Ended June 30, 2010					
Revenues	**$ 97.4**	**$ 84.8**	**$—**	**$ 2.2**	**$184.4**
Segment Profit (Loss)	**2.0**	**1.5**	**0.2**	**0.7**	**4.4**
Capital Expenditures	**7.9**	**10.3**	**1.0**	**—**	**19.2**
Segment Assets	**352.1**	**341.4**	**8.1**	**4.0**	**705.6**
Six Months Ended June 30, 2009					
Revenues	$109.1	$ 95.8	$—	$ 2.2	$207.1
Segment Profit (Loss)	1.3	7.1	0.1	0.8	9.3
Capital Expenditures	15.1	10.9	0.1	—	26.1
Segment Assets	345.1	338.9	8.1	2.4	694.5

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2009 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 10, 2010.

Legal Proceedings

A putative class action Complaint was filed against Fitchburg on January 7, 2009 in Worcester Superior Court in Worcester, Massachusetts, captioned Bellerman v. Fitchburg Gas and Electric Light Company. On April 1, 2009 an Amended Complaint was filed in Worcester Superior Court and served on Fitchburg. The Amended Complaint seeks an unspecified amount of damages including the cost of temporary housing and alternative fuel sources, emotional and physical pain and suffering and property damages allegedly incurred by customers in connection with the loss of electric service during the ice storm in Fitchburg's service territory in December, 2008. The Amended Complaint includes M.G.L. ch. 93A claims for purported unfair and deceptive trade practices related to the December 2008 Storm. On September 4, 2009, the Superior Court issued its order on the Company's Motion to Dismiss the Complaint, granting it in part and denying it in part. The Company anticipates that the court will decide whether the lawsuit is appropriate for class action treatment in the fall of 2010. The Company continues to believe the suit is without merit, and will defend itself vigorously.

Regulatory Matters

Unitil Energy Rate Case Filing – On April 15, 2010 Unitil Energy filed a proposed base rate increase of $10.1 million which represents an increase of 6.5 percent above present rates. Unitil Energy requested temporary rates to be effective July 1, 2010. In addition, Unitil Energy requested adjustments for a Rate Year Step Adjustment, a Large Capital Project Step Adjustment and a long-term rate plan establishing step adjustments associated with the Company's Reliability Enhancement Plan and Vegetation Management Plan. On June 29, 2010, the NHPUC issued an order approving a temporary rate increase for Unitil Energy. The order provides for a temporary rate increase of $5.2 million (annual) effective July 1, 2010 which will be collected by applying a uniform per kilowatt-hour (kWh) surcharge of $0.00438 to each of Unitil Energy's current rate schedules. Of the $5.2 million rate increase, $500,000 of the increase is intended to permit Unitil Energy to annually recover expenses incurred during the December 2008 ice storm and another $500,000 of the increase is intended to fund higher planned vegetation management program expenditures. Once permanent rates are approved by the NHPUC, they will be reconciled to the date temporary rates were ordered, July 1, 2010. Final review and approval by the NHPUC of Unitil Energy's permanent base rate increase request is scheduled to be completed by February 2011.

Major Ice Storm – On December 11 and 12, 2008, a severe ice storm (December 2008 Ice Storm) struck the New England region. The Company spent approximately $24.0 million for the repair and replacement of electric distribution systems damaged during the storm, including $8.3 million related to capital construction and $15.8 million, including carrying charges, which has been deferred as a regulatory asset, based on orders issued by the MDPU and NHPUC, discussed below. Also, the Company expensed $3.0 million for professional fees related to the ice storm, in addition to normal anticipated expenditures related to emergency storm preparedness. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. However, if it were ultimately determined that certain of these costs were not recoverable in rates, and/or the Company were required to incur additional costs to defend itself, there may be a significant impact on the Company's results of operations in future periods.

The MDPU conducted an investigation of Fitchburg's preparation for and response to the December 2008 Ice Storm during the first half of 2009. On November 2, 2009, the MDPU issued its order with respect to its investigation, finding that Fitchburg's preparation for, and response to, the December 2008 Ice Storm constituted a failure of the Company to meet its public service obligation to provide safe and reliable service, and ordered several remedial actions. First, the MDPU ordered a comprehensive independent management audit of Fitchburg's management practices. The management audit is expected to begin in the third quarter of 2010, subject to the selection of the audit firm by the MDPU from a list of qualified bidders who responded to an RFP issued by Fitchburg. Second, the MDPU directed Fitchburg to implement a series of operational and capital improvements which had been identified and recommended through the Company's self-assessment review. All of these operational and capital improvements have either been completed or are currently underway, and remain subject to MDPU review. Finally, the MDPU noted that the costs incurred by Fitchburg for the December 2008 Ice Storm would be subject to review in Fitchburg's next electric rate case, along with Fitchburg's rate of return.

On July 28, 2009, Fitchburg filed with the MDPU a petition for approval to defer and record as a regulatory asset costs associated with the repair of its electric distribution system from damage caused by the December 2008 Ice Storm for future recovery in rates. On December 30, 2009, the MDPU approved the request. The order of approval made no findings as to whether the subject expenses were reasonable or whether they can be recovered from ratepayers, and that the MDPU will consider the subsequent ratemaking treatment of the expense as part of Fitchburg's next rate case. As of June 30, 2010, Fitchburg has deferred approximately $13.5 million, including carrying charges, associated with the repair of its electric distribution system for future recovery in rates.

On August 26, 2009, Unitil Energy filed a petition with the NHPUC requesting an accounting order authorizing Unitil Energy to record as a regulatory asset costs associated with electric distribution system damage from the December 2008 Ice Storm until such time as the Commission issues a final order in Unitil Energy's next base rate case. On November 9, 2009, the NHPUC granted the requested accounting order, clarifying that such issues as the appropriate amount of the storm related expenses to be recovered, the timing and manner of recovery, and what, if any, return should be applied to the unrecovered balance are issues that are appropriate for review in Unitil Energy's rate case. As of June 30, 2010, Unitil Energy has deferred approximately $2.3 million, including carrying charges, associated with the repair of its electric distribution system for future recovery in rates.

On December 3, 2009, the NHPUC issued its "After-Action" report regarding its review of the December 2008 Ice Storm. The report stated that the NHPUC will commence an adjudicative proceeding to examine the reasonableness of Unitil's response to the December 2008 Ice Storm. On January 8, 2010, the NHPUC opened a docket to consider Unitil Energy's response to the December 2008 Ice Storm, including the timing of its response, its restoration priorities and strategies and the procurement and allocation of its resources in New Hampshire and Massachusetts. This matter remains pending.

Fitchburg – Electric Operations – On November 25, 2009, Fitchburg submitted to the MDPU its annual (2009) reconciliation of costs and revenues for Transition and Transmission under its restructuring plan (the Annual Reconciliation Filing). The rates were approved effective January 1, 2010, subject to reconciliation pending further investigation by the MDPU. This matter remains pending. A final order approving Fitchburg's 2008 Annual Reconciliation Filing was issued on April 12, 2010.

On November 12, 2009, the Governor of Massachusetts signed House Bill 4329. The bill (i) requires the MDPU to establish regulations for utilities to respond to emergencies, (ii) requires utilities to file with the MDPU annual emergency response plans, (iii) authorizes the MDPU to impose penalties for a utility's failure to comply with the MDPU's regulations, and (iv) allows the chair of the MDPU to issue operational and management directives during an emergency. The bill also authorizes the Massachusetts Attorney General to bring a court action for receivership of a small investor-owned utility where an emergency exists and the utility has materially violated the MDPU's standards for responding to emergencies. On February 2, 2010, the MDPU issued an order adopting regulations concerning the items required by House Bill 4329. Fitchburg has complied with the requirements concerning the filing of its emergency response plans and has met with MDPU Staff to review them.

Fitchburg – Gas Operations – On November 2, 2009 the MDPU issued an order finding that Fitchburg engaged in certain price stabilization practices for the 2007 / 2008 and 2008 / 2009 heating seasons without the MDPU's prior approval and that Fitchburg's gas purchasing practices were imprudent. As a result, the MDPU required Fitchburg to refund $4.6 million of natural gas costs, plus an appropriate carrying charge based on the prime lending rate, to its gas customers. The Company recorded a pre-tax charge of $4.9 million in the fourth quarter of 2009 based on the MDPU's order. On November 30, 2009, the MDPU approved Fitchburg's proposal to amortize its refund of natural gas costs to customers over a five-year period. Fitchburg has appealed the gas procurement Order to the Massachusetts Supreme Judicial Court. Fitchburg believes that its gas-procurement practices were consistent with those of other Massachusetts natural gas distribution companies and all relevant MDPU rules and orders and Massachusetts law. This appeal remains pending before the Massachusetts Supreme Judicial Court. Immediately after the MDPU opened its investigation of this matter in March 2009, Fitchburg ceased making the gas procurement purchases in question and filed a request with the MDPU for approval of a gas procurement plan for future gas purchases. This matter remains pending before the MDPU.

During the summer of 2009, Fitchburg operated its gas system entirely on local production from LNG for approximately three months due to construction on the lateral from Tennessee Gas Pipeline, which is the sole source of pipeline gas to Fitchburg. During this time Fitchburg provided gas LNG supply to all firm sales customers and also to the retail marketers for delivery to firm customers who have contracted for third party supply. Fitchburg's management of this project was reviewed by the MDPU during its last Integrated Resource Plan proceeding, before the shutdown occurred. In its order, the MDPU stated it would investigate the costs associated with the shutdown in Fitchburg's March 2010 Cost of Gas Adjustment (CGA) Clause filing when its actual costs will be reconciled with its projected costs. The Company received some data requests on the subject in the CGA proceeding, but no further investigation was necessary and the proposed CGA rates were approved as filed.

Fitchburg – Other – On July 16, 2008, the MDPU issued an order establishing a comprehensive plan for Revenue Decoupling to be adopted by gas and electric distribution utilities on a going-forward basis, through company-specific rate cases. Revenue decoupling is generally defined as a ratemaking mechanism designed to eliminate or reduce the dependence of a utility's distribution revenues on sales, and is intended to remove the disincentive a utility has to promote efforts to reduce energy consumption by its customers or to facilitate installation of distributed generation to displace electricity delivered by the utility. It is anticipated that, with limited exceptions, all distribution companies will be operating under decoupling plans by year-end 2012.

On February 11, 2009, the Massachusetts Supreme Judicial Court (SJC) issued its decision in the Attorney General's (AG) appeal of the MDPU orders relating to Fitchburg's recovery of bad debt expense. The SJC agreed with the AG that the MDPU was required to hold hearings regarding changes in Fitchburg's tariff and rates, and on that basis vacated the MDPU orders. The Court, however, declined to rule on an appropriate remedy, and remanded the cases back to the MDPU for consideration of that issue. This matter remains pending before the MDPU.

On July 2, 2008, the Governor of Massachusetts signed into law "The Green Communities Act" (the GC Act), an energy policy statute designed to substantially increase energy efficiency and the development of renewable energy resources in Massachusetts. The GC Act provides for utilities to recover in rates the incremental costs associated with its various mandated programs. Several regulatory proceedings have been initiated to implement various provisions of the GC Act, including provisions for each distribution company to file enhanced three year energy efficiency investment plans, plans to establish smart grid pilot programs, proposals to purchase long-term contracts for renewable energy, special tariffs to allow the net metering of customer-owned renewable generation, and terms and conditions for purchasing supplier receivables. Three year energy efficiency investment plans, plans to establish smart grid pilot programs, and net metering tariffs have been approved by the MDPU. Proposals to purchase long-term contracts for renewable energy and terms and conditions for purchasing supplier receivables are under review in a separately designated docket.

Unitil Energy – Other – In July 2008, the State of New Hampshire enacted legislation that allows electric utilities to make investments in distributed energy resources, including energy efficiency and demand reduction technologies, as well as clean cogeneration and renewable generation. On August 5, 2009 Unitil Energy filed a plan for approval of investment in and rate recovery for Distributed Energy Resources. An order approving a settlement agreement for a time-of-use pilot program was issued on February 26, 2010. On June 11, 2010, the NHPUC issued an order on the remaining two proposed projects and cost recovery. The NHPUC denied one of the two projects, citing that the costs outweighed the benefits but found the other project to be in the public interest. Unitil Energy may also file step adjustments to base distribution rates to collect actual costs associated with authorized DER projects. Recovery of ongoing program management and reporting costs was not allowed at this time, however.

On February 25, 2010, a significant wind storm struck portions of the New England region, causing extensive damage to electric facilities and loss of service to significant numbers of customers of several utilities. An estimated one million electric customers in the region were affected, including approximately 85% of the Company's customers. Unitil Energy was able to restore power to 96% percent of its customers by day three, and its final customers, including those with individual service problems, were restored by day four. The Company spent approximately $7.2 million for the repair and replacement of electric distribution systems damaged during the storm, including $1.3 million related to capital construction and $5.9 million which has been deferred as a regulatory asset. Unitil Energy, in its base rate case filing discussed above, has requested recovery in rates for the costs associated with the emergency repair of its electric distribution system for damage caused by this storm. The amount and timing of the cost recovery of the storm restoration expenditures will be determined in the base rate case proceeding. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. However, if it were ultimately determined that certain of these costs were not recoverable in rates, and/or the Company were required to incur additional costs to defend itself, there may be a significant impact on the Company's results of operations in future periods.

On June 17, 2010, Unitil Energy made its annual reconciliation and rate filing with the NHPUC under its restructuring plan, for rates effective August 1, 2010, including reconciliation of prior year costs and revenues. This matter remains pending.

Northern Utilities – On November 21, 2008, the MPUC issued an order approving a settlement agreement resolving a number of Notices of Probable Violation ("NOPVs") of certain safety related procedures and rules by Northern Utilities. Under the Settlement, Northern Utilities will incur total expenditures of approximately $3.8 million for safety related improvements to Northern's distribution system to ensure compliance with the relevant state and federal gas safety laws, for which no rate recovery will be allowed. These compliance costs were accrued by Northern Utilities prior to the acquisition date and the remaining amount on the Company's balance sheet at June 30, 2010 was $2.3 million.

On June 27, 2008 the MPUC opened an investigation of Northern Utilities' cast iron pipe replacement activities and the benefits of an accelerated replacement program for cast iron distribution pipe remaining in portions of Northern Utilities' Maine service areas. An Agreement resolving this matter, filed on behalf of Northern Utilities, the Maine Office of the Public Advocate, and several state legislator intervenors, was filed with the MPUC on July 6, 2010. Under the Agreement, Northern Utilities will proceed with a comprehensive upgrade and replacement program (the "Program"), which will provide for the systematic replacement of cast iron, wrought iron and bare steel pipe in Northern Utilities' natural gas distribution system in Portland and Westbrook, Maine and the conversion of the system to intermediate pressure. The Agreement establishes the objective of completing the Program by the end of the 2024 construction season. Under the Agreement, the parties agreed to support a cost recovery mechanism that will provide for the timely recovery of prudently-incurred costs of the Program. The features of this cost recovery mechanism will be finalized during Northern Utilities' next base rate case proceeding, which is anticipated to be filed in early 2011. On July 7, 2010, the MPUC considered the Agreement during its public deliberation session and voted to approve the Agreement. A written final order of approval has not yet been issued and, as a result, the matter remains pending.

Granite State Gas Transmission, Inc. – Base Rate Case Filing – On June 29, 2010, Granite filed a base transportation rate increase which would provide for an increase of approximately $3 million in annual revenue with the FERC. This represents Granite's first filing for a rate change since its last general rate case in 1997. The effect of this rate increase would result in an approximate increase of two percent in the total annual bill to an average residential natural gas heating customer served by Northern Utilities. The rate case filing reflects a rate base of $18.3 million, which includes $4.2 million of capital additions to be made through the end of 2010. In addition to its request for new base transportation rates, Granite is seeking FERC approval to implement a capital cost surcharge that would allow Granite to implement a rate surcharge annually to recover projected capital expenditures of approximately $12.7 million during the three-year time period 2011-2013. Granite expects the FERC regulatory process to take approximately six months with a rate order near the beginning of 2011.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2009 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 10, 2010.

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company believes it is in compliance with applicable environmental and safety laws and regulations, and the Company believes that as of June 30, 2010, there were no material losses reasonably likely to be incurred in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included in Environmental Obligations on the Company's Consolidated Balance Sheet at June 30, 2010 are accrued liabilities totaling $12.0 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant (MGP) site at Sawyer Passway, located in Fitchburg, Massachusetts. The amounts recorded do not assume any amounts are recoverable from insurance companies or other third parties. Also included in Environmental Obligations on the Company's Consolidated Balance Sheet at June 30, 2010 are accrued liabilities totaling $2.3 million associated with Northern Utilities' environmental remediation obligations for former MGP sites. In addition to the amounts noted above, there are $0.2 million of accrued liabilities in Other Current Liabilities on the Company's Consolidated Balance Sheet at June 30, 2010 associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were recorded to reflect that the recovery of these environmental remediation costs is probable through the regulatory process.

NOTE 8 – INCOME TAXES

The Company bills its customers sales tax in Massachusetts and Maine and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2009 and for the current interim reporting period ended June 30, 2010 in accordance with the FASB Codification, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by the FASB Codification is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no material interest and penalties recognized in the statement of earnings or accrued on the balance sheet.

The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2006; December 31, 2007; and December 31, 2008. Income tax filings for the year ended December 31, 2009 have been extended until September 15, 2010. In its Federal Income Tax return filings for the year ended December 31, 2008, the Company recognized net operating loss (NOL) carrybacks against its Federal Income Tax returns for the years ended December 31, 2006 and 2007 in the amounts of $5.0 million and $6.7 million, respectively. These NOL carrybacks resulted in a refund to the Company of $4.0 million which was received in November 2009. According to Internal Revenue Code rules, NOL refunds in excess of $2.0 million fall under the jurisdiction of the Joint Committee of Congress (Joint Committee) and are subject to review by the Internal Revenue Service (IRS) and attorneys of the Joint Committee. As a result, on December 30, 2009, the Company received notice that its Federal Income Tax return filings for the years ended December 31, 2006, December 31, 2007, and December 31, 2008 are under examination by the IRS. The IRS is currently performing fieldwork as part of their audit procedures. Currently, the Company believes that the ultimate resolution of this examination will not result in a material adverse effect to the Company's financial position or results of operations.

NOTE 9 – RETIREMENT BENEFIT OBLIGATIONS

The Company co-sponsors the Unitil Corporation Retirement Plan (Pension Plan), the Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan), and the Unitil Corporation Supplemental Executive Retirement Plan (SERP) to provide certain pension and postretirement benefits for its retirees and current employees. Please see Note 9 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2009 as filed with the SEC on February 10, 2010 for additional information regarding these plans.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2010	2009
Used to Determine Plan Costs		
Discount Rate	**5.75%**	6.25%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**7.50%**	8.00%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2017

The following tables provide the components of the Company's Retirement plan costs ($000's):

Three Months Ended June 30,	Pension Plan 2010	Pension Plan 2009	PBOP Plan 2010	PBOP Plan 2009	SERP 2010	SERP 2009
Service Cost	**$ 652**	$ 571	**$ 366**	$ 357	**$ 71**	$ 54
Interest Cost	**1,115**	1,074	**504**	579	**57**	45
Expected Return on Plan Assets	**(1,046)**	(1,108)	**(149)**	(89)	**—**	—
Prior Service Cost Amortization	**64**	66	**394**	428	**1**	(1)
Transition Obligation Amortization	**—**	—	**6**	5	**—**	—
Actuarial Loss Amortization	**602**	399	**—**	—	**33**	18
Sub-total	**1,387**	1,002	**1,121**	1,280	**162**	116
Amounts Capitalized and Deferred	**(481)**	(364)	**(237)**	(442)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 906**	$ 638	**$ 884**	$ 838	**$162**	$116

Six Months Ended June 30,	Pension Plan 2010	Pension Plan 2009	PBOP Plan 2010	PBOP Plan 2009	SERP 2010	SERP 2009
Service Cost	**$ 1,304**	$ 1,142	**$ 733**	$ 714	**$142**	$108
Interest Cost	**2,229**	2,147	**1,008**	1,157	**114**	90
Expected Return on Plan Assets	**(2,091)**	(2,216)	**(299)**	(178)	**—**	—
Prior Service Cost Amortization	**127**	132	**789**	856	**2**	(1)
Transition Obligation Amortization	**—**	—	**11**	10	**—**	—
Actuarial Loss Amortization	**1,203**	798	**—**	—	**66**	36
Sub-total	**2,772**	2,003	**2,242**	2,559	**324**	233
Amounts Capitalized and Deferred	**(1,103)**	(646)	**(587)**	(800)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 1,669**	$ 1,357	**$1,655**	$1,759	**$324**	$233

Employer Contributions

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. Included in the PPA were new minimum funding rules which went into effect for plan years beginning in 2008. The funding target was 100% of a plan's liability (as determined under the PPA) with any shortfall amortized over seven years, with lower (92%—100%) funding targets available to well-funded plans during the transition period. Due to the significant declines in the valuation of capital markets during 2008, the Worker, Retiree, and Employer Recovery Act of 2008 (Recovery Act) was signed into law on December 23, 2008. Included in the Recovery Act are temporary modifications to the minimum funding rules set forth in the PPA such that all plans, except those that were subject to deficit reduction contribution requirements in 2007, are allowed to amortize any shortfall from the lower funding targets, rather than the 100% target, for the 2008—2010 plan years. This did not affect the Company's Pension Plan in 2009 as its Pension Plan was 94% funded under the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as of January 1, 2008 and met the exemption from the shortfall amortization. As of June 30, 2010, the Company had made $1.8 million of contributions to the Pension Plan in 2010. The Company presently anticipates contributing an additional $2.7 million to fund its Pension Plan in 2010.

As of June 30, 2010, the Company had made $1.7 million and $26,000 of contributions to the PBOP and SERP Plans, respectively, in 2010. The Company presently anticipates contributing an additional $1.8 million and $27,000 to the PBOP and SERP Plans, respectively, in 2010.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

As of the end of the quarter covered by this Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings.

There have been no changes in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2009 as filed with the SEC on February 10, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended June 30, 2010.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), adopted by the Company on March 25, 2010, the Company will periodically repurchase shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. There is no pool or maximum number of shares related to these purchases; however, the trading plan will automatically terminate when $80,700 in value of shares have been purchased, or, if sooner, on March 25, 2011.

The Company may suspend or terminate this trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws.

The Company's repurchases are shown in the table below for the monthly periods noted:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
4/1/10 – 4/30/10	—	—	—
5/1/10 – 5/31/10	—	—	—
6/1/10 – 6/30/10	371	$ 19.91	371
Total	371	$ 19.91	371

Item 5. Other Information

On July 27, 2010, the Company issued a press release announcing its results of operations for the three- and six-month periods ended June 30, 2010. The press release is furnished with this Quarterly Report on Form 10-Q as Exhibit 99.1.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Weighted Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated July 27, 2010 Announcing Earnings For the Quarter Ended June 30, 2010.	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	UNITIL CORPORATION (Registrant)
Date: July 27, 2010	/s/ Mark H. Collin Mark H. Collin Chief Financial Officer
Date: July 27, 2010	/s/ Laurence M. Brock Laurence M. Brock Chief Accounting Officer

EXHIBIT INDEX

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EXHIBIT 11

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER WEIGHTED AVERAGE COMMON SHARE OUTSTANDING

(Millions except common shares and per share data)

(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	**2009**	**2010**	**2009**
Net Income (Loss)	**$ (2.0)**	**$ 0.3**	**$ 4.5**	$ 9.4
Less: Dividend Requirements on Preferred Stock	**0.1**	**0.1**	**0.1**	0.1
Net Income Applicable to Common Stock	**$ (2.1)**	**$ 0.2**	**$ 4.4**	$ 9.3
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**10,820**	**9,014**	**10,810**	8,516
Dilutive Effect of Stock Options and Restricted Stock (000's)	**—**	**—**	**1**	—
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**10,820**	**9,014**	**10,811**	8,516
Earnings Per Share – Basic and Diluted	**$ (0.19)**	**$ 0.03**	**$ 0.41**	$ 1.10

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2010

/s/ Robert G. Schoenberger
Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2010

/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2010

/s/ Laurence M. Brock
Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	July 27, 2010
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	July 27, 2010
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	July 27, 2010

Exhibit 99.1

Contact: David Chong – Investor Relations
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Alec O'Meara – Media Relations
Phone: 603-773-6404
Email: omeara@unitil.com

Unitil Reports Second Quarter Results

Hampton, NH – July 27, 2010: Unitil Corporation ("Company") (NYSE: UTL) (www.unitil.com) today announced a net loss of ($2.1) million for the second quarter of 2010, compared to earnings of $0.2 million for the second quarter of 2009. For the six months ended June 30, 2010, the Company reported net income of $4.4 million compared to $9.3 million for the same period of 2009. Results for the second quarter were driven primarily by higher depreciation and interest expense and lower gas sales margins due to warmer regional temperatures.

Earnings (loss) per common share (EPS) were ($0.19) and $0.41 for the three and six month periods ended June 30, 2010 compared with $0.03 and $1.10 for the same periods of 2009. The Company's results of operations for 2010 are not directly comparable with 2009 due to the issuance of 5.0 million common shares between December 2008 and June 2009 to complete the financing of the Company's acquisition of Northern Utilities Inc. (Northern Utilities) and Granite State Gas Transmission, Inc. (Granite), the ("Acquisition").

"2010 is an important transition year for the Company as we initiate the process of resetting rates in each of our regulatory jurisdictions," said Bob Schoenberger, Unitil's Chairman and Chief Executive Officer. "This regulatory agenda, which we expect to complete over the next twelve to eighteen months, will support our ongoing investment in the reliability and safety of our gas and electric distribution systems."

The Company filed two base rate cases in the second quarter of 2010, one for its New Hampshire electric distribution utility, Unitil Energy Systems, Inc. (Unitil Energy) and one for its natural gas pipeline subsidiary, Granite. The New Hampshire Public Utilities Commission has approved a temporary rate increase of $5.2 million on an annual basis, including recovery of 2008 ice storm costs, for Unitil Energy effective July 1, 2010. A decision from the Federal Energy Regulatory Commission on Granite's request for an increase of approximately $3 million in annual revenues is expected in January 2011. Additionally, the Company's two other distribution utilities, Fitchburg Gas and Electric Light Company and Northern Utilities, are currently preparing base rate cases and anticipate filing them with their respective regulatory commissions within the next year.

Natural gas sales margin decreased $2.4 million and $3.8 million in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009. Total natural gas therm sales were 5.1% and 6.0% lower in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. Lower gas therm sales in the Company's utility service territories reflect the effect of warmer temperatures in 2010, where there were approximately 22% and 12% fewer Heating Degree Days in the three and six month periods, respectively, compared to the prior year.

Electric sales margin increased $0.4 million and $0.1 million in the three and six months ended June 30, 2010 compared to the same periods in 2009, reflecting higher electric kilowatt-hour (kWh) sales. Total kWh sales increased 5.3% and 1.5% in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009 reflecting increased sales to all customer groups.

Selected Financial Data for 2010 and 2009 is presented in the following table:

Unitil Corporation – Condensed Financial Data

(Millions, except Per Share data)(Unaudited)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Three Months Ended June 30, Change	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, Change
Gas Therm Sales:						
Residential	6.6	6.9	(4.3%)	24.4	26.2	(6.9%)
Commercial/Industrial	27.0	28.5	(5.3%)	81.6	86.6	(5.8%)
Total Gas Therm Sales	**33.6**	**35.4**	**(5.1%)**	**106.0**	**112.8**	**(6.0%)**
Electric kWh Sales:						
Residential	148.3	141.1	5.1%	326.0	321.7	1.3%
Commercial/Industrial	245.8	233.2	5.4%	483.3	475.3	1.7%
Total Electric kWh Sales	**394.1**	**374.3**	**5.3%**	**809.3**	**797.0**	**1.5%**
Gas Revenues	$ 23.7	$ 23.4	$ 0.3	$ 84.8	$ 95.8	$(11.0)
Purchased Gas	15.1	12.4	2.7	54.2	61.4	(7.2)
Gas Sales Margin	**8.6**	**11.0**	**(2.4)**	**30.6**	**34.4**	**(3.8)**
Electric Revenues	46.6	47.0	(0.4)	97.4	109.1	(11.7)
Purchased Electricity	33.4	34.2	(0.8)	70.1	81.9	(11.8)
Electric Sales Margin	**13.2**	**12.8**	**0.4**	**27.3**	**27.2**	**0.1**
Usource Sales Margin	**1.1**	**1.1**	**—**	**2.2**	**2.2**	**—**
Total Sales Margin:	**22.9**	**24.9**	**(2.0)**	**60.1**	**63.8**	**(3.7)**
Operation & Maintenance Expenses	11.6	12.0	(0.4)	23.8	22.4	1.4
Depreciation, Amortization, Taxes & Other	8.9	9.0	(0.1)	23.1	23.6	(0.5)
Interest Expense, Net	4.5	3.7	0.8	8.8	8.5	0.3
Earnings (Loss) Applicable to Common Shareholders:	**$ (2.1)**	**$ 0.2**	**$ (2.3)**	**$ 4.4**	**$ 9.3**	**$ (4.9)**
Earnings (Loss) Per Share	**$ (0.19)**	**$ 0.03**	**$ (0.22)**	**$ 0.41**	**$ 1.10**	**$(0.69)**

O&M expenses decreased $0.4 million and increased $1.4 million for the three and six months ended June 30, 2010, respectively, compared to 2009. The changes in O&M reflect higher utility operating costs and lower professional fees. The increases in utility operating expenses reflect the full integration of Northern Utilities and Granite State into the Company's consolidated operating results.

Depreciation and Amortization expense increased $0.7 million and $1.5 million in the three and six months ended June 30, 2010, respectively, compared to the same periods in 2009 reflecting normal utility plant additions.

Interest Expense, Net increased $0.8 million and $0.3 million in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009. In March 2010, Unitil Energy and Northern Utilities collectively issued $40 million of long-term debt which is contributing to the higher interest expense in the three and six month periods. Furthermore, net interest expense in 2010 reflects the permanent financing of Northern Utilities and Granite State, which was completed in the second quarter of 2009.

Federal and State Income Taxes decreased by $2.5 million due to lower pre-tax income in 2010 compared to 2009.

All other items increased $0.3 million and $0.5 million in the three and six month periods ended June 30, 2010, respectively, compared to the same periods in 2009, primarily reflecting higher property and payroll taxes.

Also in the second quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

Additionally, EPS in the three and six months ended June 30, 2010 reflect a higher number of average shares outstanding year over year. Between December 2008 and June 2009 the Company issued 5.0 million common shares to complete the Acquisition. As a result of the Acquisition and the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the Acquisition and stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

The Company will hold a quarterly conference call to discuss second quarter 2010 results on Tuesday, July 27, 2010, at 2:00 p.m. Eastern Time. This call is being webcast by Thomson Financial and can be accessed in the Investor Relations section of Unitil Corporation's website, www.unitil.com.

About Unitil

Unitil Corporation is a public utility holding company headquartered in Hampton, New Hampshire. Unitil's principal business is the local distribution of electricity and natural gas in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three distribution utilities: (i) Unitil Energy Systems, Inc., which provides electric service in the southeastern seacoast and state capital regions of New Hampshire; (ii) Fitchburg Gas and Electric Light Company, which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and (iii) Northern Utilities, Inc., which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine. In addition, Unitil is the parent company of Granite State Gas Transmission, Inc., an interstate natural gas transmission pipeline in New Hampshire and Maine. Together, Unitil's operating utilities serve approximately 100,500 electric customers and 70,000, natural gas customers. Unitil's non-regulated business, Usource, also provides energy brokering and advisory services to large commercial and industrial customers in the northeastern United States.

This press release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. All statements, other than statements of historical fact, are forward-looking statements. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to the following: variations in weather; changes in the regulatory environment; customers' preferences on energy sources; general economic conditions; increased competition; fluctuations in supply, demand, transmission capacity and prices for energy commodities; and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of Unitil Corporation.

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended September 30, 2010

Commission File Number 1-8858

UNITIL CORPORATION
(Exact name of registrant as specified in its charter)

New Hampshire **(State or other jurisdiction of incorporation or organization)**	**02-0381573** **(I.R.S. Employer Identification No.)**
6 Liberty Lane West, Hampton, New Hampshire **(Address of principal executive office)**	**03842-1720** **(Zip Code)**

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 22, 2010
Common Stock, No par value	**10,881,062 Shares**

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
FORM 10-Q
For the Quarter Ended September 30, 2010

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PART I. FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company headquartered in Hampton, New Hampshire. Unitil is subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, Inc. (Northern Utilities), a natural gas distribution utility serving customers in New Hampshire and Maine, from Bay State Gas Company and (ii) all of the outstanding capital stock of Granite State Gas Transmission, Inc. (Granite), an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (the Acquisitions).

Unitil's principal business is the local distribution of electricity and natural gas throughout its service territory in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly-owned distribution utilities:

i) Unitil Energy Systems, Inc. (Unitil Energy), which provides electric service in southeastern seacoast and state capital regions of New Hampshire;

ii) Fitchburg Gas and Electric Light Company (Fitchburg), which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and

iii) Northern Utilities, which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland and the Lewiston-Auburn area.

Unitil Energy, Fitchburg and Northern Utilities are collectively referred to as the "distribution utilities." Together, the distribution utilities serve approximately 100,500 electric customers and 70,000 natural gas customers in their service territory.

In addition, Unitil is the parent company of Granite, a natural gas inter-state transmission pipeline, regulated by the FERC, operating 87 miles of underground gas transmission pipeline primarily located in Maine and New Hampshire. Granite provides Northern Utilities with interconnection to three major natural gas pipelines and access to pipeline supplies.

The distribution utilities are local "pipes and wires" operating companies and Unitil had an investment in Net Utility Plant of $463.6 million at September 30, 2010. Unitil's total operating revenue includes revenue to recover the approved cost of purchased electricity and natural gas in rates on a fully reconciling basis. As a result of this reconciling rate structure, the Company's earnings are not directly affected by changes in the cost of purchased electricity and natural gas. Earnings from Unitil's utility operations are primarily derived from the return on investment in the utility assets of the three distribution utilities and Granite.

Unitil also conducts non-regulated operations principally through Usource Inc. and Usource L.L.C. (collectively, "Usource"), which is wholly-owned by Unitil Resources Inc., a wholly-owned subsidiary of Unitil. Usource provides energy brokering and consulting services to large commercial and industrial customers in the northeastern United States. The Company's other subsidiaries include Unitil Service Corp., which provides, at cost, a variety of administrative and professional services to Unitil's affiliated companies, Unitil Realty Corp., which owns and manages Unitil's corporate office building and property located in Hampton, New Hampshire and Unitil Power Corp., which formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. Unitil's consolidated net income includes the earnings of the holding company and these subsidiaries.

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RATES AND REGULATION

Base Rate Cases:

On April 15, 2010, Unitil Energy filed a proposed annual base rate increase of $10.1 million with the New Hampshire Public Utilities Commission (NHPUC), which represents an increase of 6.5 percent above present rates. Unitil Energy's filing also included a long-term rate plan establishing base rate step adjustments associated with future planned capital additions and targeted reliability enhancement and vegetation management programs. In its rate filing, Unitil Energy requested that rates initially be set at a lower level on a temporary basis.

On June 29, 2010, the NHPUC issued an order approving a temporary rate increase for Unitil Energy. The order provides for a temporary rate increase of $5.2 million (annual) effective July 1, 2010 which will be collected by applying a uniform per kilowatt-hour (kWh) surcharge of $0.00438 to each of Unitil Energy's current rate schedules. Of the $5.2 million rate increase, $500,000 of the increase is intended to permit Unitil Energy to annually recover expenses incurred during the December 2008 ice storm and another $500,000 of the increase is intended to fund higher planned vegetation management program expenditures. Once permanent rates are approved by the NHPUC, they will be reconciled to the date temporary rates were ordered, July 1, 2010. Final review and approval by the NHPUC of Unitil Energy's permanent base rate increase request is currently scheduled to be completed by February 2011.

On June 29, 2010, Granite filed for an initial proposed base transportation rate increase with the FERC, which is Granite's first filing for a rate change since its last general rate case in 1997. If approved as filed, the initial rate increase would provide for an increase of approximately $2.3 million in revenue on an annual basis. In addition to its request for new base transportation rates, Granite, in its rate case filing, is seeking approval to implement a capital cost surcharge that would allow Granite to implement a rate surcharge annually to recover certain projected capital expenditures in future periods. Granite expects the FERC regulatory process to result in an effective date of January 1, 2011 for the requested rate increase.

Additionally, Fitchburg and Northern Utilities are currently preparing base rate cases and anticipate completing them with their respective state regulatory commissions within the next twelve months.

Regulation:

Unitil is subject to comprehensive regulation by federal and state regulatory authorities. Unitil and its subsidiaries are subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005 in regards to certain bookkeeping, accounting and reporting requirements. Unitil's utility operations related to wholesale and interstate energy business activities are also regulated by FERC. Unitil's distribution utilities are subject to regulation by the applicable state public utility commissions, in regards to their rates, issuance of securities and other accounting and operational matters: Unitil Energy is subject to regulation by the NHPUC; Fitchburg is subject to regulation by the Massachusetts Department of Public Utilities (MDPU); and Northern Utilities is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's distribution utilities deliver electricity and/or natural gas to all customers in their service territory, at rates established under traditional cost of service regulation. Under this regulatory structure, Unitil's distribution utilities recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. As a result of a restructuring of the utility industry in New Hampshire, Massachusetts and Maine, Unitil's customers have the opportunity to purchase their electricity or natural gas supplies from third party suppliers. A majority of Unitil's largest commercial and industrial (C&I) customers purchase their electric and natural gas supplies from third party suppliers. However, most residential and small customers continue to purchase their electric and natural gas supplies through Unitil's distribution utilities. Unitil's distribution utilities purchase electricity or natural gas from unaffiliated wholesale suppliers and recover the actual costs of these supplies on a pass-through basis, as well as certain costs associated with industry restructuring, through reconciling rate mechanisms that are periodically adjusted.

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The regulatory process in both New Hampshire and Maine, in connection with those states' approvals of the Acquisitions, included the negotiation and filing of settlement agreements reflecting commitments by Unitil with respect to Northern Utilities' rates, customer service and operations. The settlement agreements were separately negotiated and filed in each state but reflect a number of common features. For additional discussion, please refer to Unitil's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 10, 2010.

CAUTIONARY STATEMENT

This report and the documents we incorporate by reference into this report contain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's beliefs and current expectations. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include those described in Item 1A (Risk Factors) and the following:

- The Company's ability to achieve the estimated potential synergy savings attributable to the Acquisitions;
- The Company's ability to retain existing customers and gain new customers;
- Variations in weather;
- Major storms;
- Recovery of deferred major storm costs;
- Recovery of energy commodity costs;
- Changes in the regulatory environment;
- Customers' preferences on energy sources;
- Interest rate fluctuation and credit market concerns;
- General economic conditions that could have an adverse impact on the availability of credit and liquidity resources generally and could jeopardize certain of our counterparty obligations, including those of our insurers and financial institutions;
- Fluctuations in supply, demand, transmission capacity and prices for energy commodities;
- Increased competition; and
- Customers' performance under multi-year energy brokering contracts.

Many of these risks are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not

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possible for the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended September 30, 2010 and September 30, 2009 and should be read in conjunction with the accompanying Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements included in Part I, Item 1 of this report.

Between December 2008 and June 2009 the Company issued 5.0 million common shares to complete the Acquisitions. As a result of the Acquisitions and the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the Acquisitions and stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Earnings Overview

The Company's Earnings (Loss) Applicable to Common Shareholders was a net loss of ($0.1) million for the third quarter of 2010, an improvement of $0.5 million compared to the third quarter of 2009. For the nine months ended September 30, 2010, the Company reported net income of $4.3 million compared to $8.7 million for the same period of 2009. Results for the third quarter were driven primarily by higher electric sales margins reflecting favorable summer weather and higher rates, partially offset by increases in operating and interest costs.

Earnings (loss) per common share (EPS) were ($0.01) and $0.40 for the three and nine month periods ended September 30, 2010 compared with ($0.06) and $0.94 for the same periods of 2009. The Company's results of operations for 2010 are not directly comparable with 2009 due to the issuance of 5.0 million common shares between December 2008 and June 2009 to complete the financing of the Company's acquisitions of Northern Utilities and Granite.

Natural gas sales margin was unchanged in the third quarter of 2010 compared to the same period in 2009. For the nine month period ended September 30, 2010, gas sales margin was $3.8 million lower compared to the same period in 2009. Total natural gas therm sales were 2.7% and 5.5% lower in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. Lower gas therm sales in the Company's utility service territories reflect the effect of warmer winter temperatures earlier in 2010, where there were approximately 13% fewer Heating Degree Days in the nine month period, compared to the prior year.

Electric sales margin increased $2.4 million and $2.5 million in the three and nine months ended September 30, 2010 compared to the same periods in 2009, reflecting higher electric kilowatt-hour (kWh) sales and an electric rate increase implemented in July 2010 for the Company's New Hampshire electric distribution utility. Total kWh sales increased 11.1% and 4.9% in the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009 reflecting increased sales to all customer groups. The increased sales reflect above average summer temperatures in the Company's utility service territories in 2010. According to ISO-New England, the grid operator for the New England region, July was the second-hottest July in New England since 1960 and New England's all-time electricity consumption for one month was recorded in that month.

Operation and Maintenance (O&M) expenses increased $1.1 million and $2.5 million for the three and nine months ended September 30, 2010, respectively, compared to 2009. The changes in O&M expenses reflect higher utility operating costs and professional fees. Utility operating expenses reflect the full integration of Northern Utilities and Granite into the Company's consolidated operating results.

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Depreciation and Amortization expense decreased $0.4 million and increased $1.1 million in the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009, reflecting higher depreciation on normal utility plant additions partially offset by lower amortization expense in the current year.

Interest Expense, Net increased $0.7 million and $1.0 million in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. In March 2010, Unitil Energy and Northern Utilities collectively issued $40 million of long-term debt which is contributing to the higher interest expense in the three and nine month periods.

Federal and State Income Taxes decreased by $2.1 million for the nine month period due to lower pre-tax income in 2010 compared to 2009.

All other expenses increased $0.3 million and $0.8 million in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009, primarily reflecting higher property and payroll taxes.

Usource, our non-regulated energy brokering business, recorded revenues of $1.2 million and $3.4 million in the three and nine month periods ended September 30, 2010, respectively, increases of $0.2 million and $0.2 million, respectively compared to the same periods of 2009. Usource's revenues are primarily derived from fees and charges billed to suppliers as customers take delivery of energy from these suppliers under term contracts brokered by Usource.

Additionally, EPS for the nine months ended September 30, 2010 reflects a higher number of average shares outstanding year over year, as discussed above.

In 2009, Unitil's annual common dividend was $1.38, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock. At its January, 2010, March, 2010, June 2010 and September 2010 meetings, the Unitil Board of Directors declared quarterly dividends on the Company's common stock of $0.345 per share.

A more detailed discussion of the Company's results of operations for the three and nine months ended September 30, 2010 and a period-to-period comparison of changes in financial position are presented below.

Gas Sales, Revenues and Margin

Therm Sales – Total natural gas therm sales were 2.7% and 5.5% lower in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. Lower gas therm sales in the Company's utility service territories reflect the effect of milder winter temperatures earlier in 2010, where there were approximately 13% fewer Heating Degree Days in the nine month period, compared to the prior year.

The following table details total firm therm sales for the three and nine months ended September 30, 2010 and 2009, by major customer class:

Therm Sales (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	**2009**	**Change**	**% Change**	**2010**	**2009**	**Change**	**% Change**
Residential	**2.5**	2.9	(0.4)	(13.8%)	**26.9**	29.1	(2.2)	(7.6%)
Commercial / Industrial	**19.3**	19.5	(0.2)	(1.0%)	**100.9**	106.1	(5.2)	(4.9%)
Total	**21.8**	22.4	(0.6)	(2.7%)	**127.8**	135.2	(7.4)	(5.5%)

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Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three and nine months ended September 30, 2010 and 2009:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	**2009**	**$ Change**	**% Change[1]**	**2010**	**2009**	**$ Change**	**% Change[1]**
Gas Operating Revenue:								
Residential	**$ 6.7**	$ 5.7	$ 1.0	6.6%	**$ 42.5**	$ 45.9	$ (3.4)	(3.1%)
Commercial / Industrial	**10.7**	9.5	1.2	7.9%	**59.7**	65.1	(5.4)	(4.8%)
Total Gas Operating Revenue	**$ 17.4**	$ 15.2	$ 2.2	14.5%	**$ 102.2**	$ 111.0	$ (8.8)	(7.9%)
Cost of Gas Sales:								
Purchased Gas	**$ 8.9**	$ 6.9	$ 2.0	13.2%	**$ 61.5**	$ 67.1	$ (5.6)	(5.0%)
Conservation & Load Management	**0.6**	0.4	0.2	1.3%	**2.2**	1.6	0.6	0.5%
Total Cost of Gas Sales	**$ 9.5**	$ 7.3	$ 2.2	14.5%	**$ 63.7**	$ 68.7	$ (5.0)	(4.5%)
Gas Sales Margin	**$ 7.9**	$ 7.9	$ —	—	**$ 38.5**	$ 42.3	$ (3.8)	(3.4%)

(1) Represents change as a percent of Total Gas Operating Revenue.

Total Gas Operating Revenues increased $2.2 million, or 14.5%, and decreased $8.8 million, or 7.9%, in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. Total Gas Operating Revenues include the recovery of the approved cost of gas sales, which are recorded as Purchased Gas and Conservation & Load Management (C&LM) in Operating Expenses. The increase in Total Gas Operating Revenues in the third quarter of 2010 reflects higher Purchased Gas revenues of $2.0 million and higher C&LM revenues of $0.2 million. The decrease in Total Gas Operating Revenues in the first nine months of 2010 reflects lower Purchased Gas revenues of $5.6 million and lower gas sales margin of $3.8 million, partially offset by higher C&LM revenues of $0.6 million.

The Purchased Gas and C&LM components of Gas Operating Revenues increased a combined $2.2 million, or 14.5%, of Total Gas Operating Revenue and decreased a combined $5.0 million, or 4.5%, of Total Gas Operating Revenue in the three and nine month periods ended September 30, 2010 compared to the same periods in 2009. The increase in the third quarter of 2010 is due to higher natural gas commodity costs and increased spending on energy efficiency and conservation programs, partially offset by lower natural gas sales. The decrease in the nine month period of 2010 primarily reflects lower sales of natural gas, partially offset by increased spending on energy efficiency and conservation programs. The Company recovers the cost of Purchased Gas and C&LM in its rates at cost on a pass through basis.

Natural gas sales margin was unchanged in the third quarter of 2010 compared to the same period in 2009. For the nine month period ended September 30, 2010, gas sales margin was $3.8 million lower compared to the same period in 2009. The decrease in the nine month period principally reflects lower sales of natural gas, which reflect the effect of the milder winter heating season.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – Total electric kWh sales increased 11.1% and 4.9% in the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009 reflecting increased sales to all customer groups. The increased sales reflect higher than average summer temperatures in the Company's utility service territories in 2010 where there were approximately 61% more Cooling

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Degree Days in the three month period ended September 30, 2010, compared to the prior year. According to ISO-New England, the grid operator for the New England region, July was the second-hottest July in New England since 1960 and New England's all-time electricity consumption for one month was recorded in that month.

The following table details total kWh sales for the three and nine months ended September 30, 2010 and 2009 by major customer class:

kWh Sales (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	**2009**	**Change**	**% Change**	**2010**	**2009**	**Change**	**% Change**
Residential	**198.7**	172.1	26.6	15.5%	**524.7**	493.8	30.9	6.3%
Commercial / Industrial	**284.6**	263.0	21.6	8.2%	**767.9**	738.2	29.6	4.0%
Total	**483.3**	435.1	48.2	11.1%	**1,292.6**	1,232.1	60.5	4.9%

Electric Operating Revenues and Sales Margin – The following table details total Electric Operating Revenues and Sales Margin for the three and nine month periods ended September 30, 2010 and 2009:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	**2009**	**$ Change**	**% Change(1)**	**2010**	**2009**	**$ Change**	**% Change(1)**
Electric Operating Revenue:								
Residential	**$ 31.0**	$ 27.9	$ 3.1	5.7%	**$ 82.9**	$ 84.3	$ (1.4)	(0.9%)
Commercial / Industrial	**26.5**	26.3	0.2	0.4%	**72.0**	79.0	(7.0)	(4.3%)
Total Electric Operating Revenue	**$ 57.5**	$ 54.2	$ 3.3	6.1%	**$ 154.9**	$ 163.3	$ (8.4)	(5.2%)
Cost of Electric Sales:								
Purchased Electricity	**$ 39.6**	$ 38.9	$ 0.7	1.3%	**$ 107.1**	$ 119.5	$ (12.4)	(7.6%)
Conservation & Load Management	**1.0**	0.8	0.2	0.4%	**3.6**	2.1	1.5	0.9%
Total Cost of Electric Sales	**$ 40.6**	$ 39.7	$ 0.9	1.7%	**$ 110.7**	$ 121.6	$ (10.9)	(6.7%)
Electric Sales Margin	**$ 16.9**	$ 14.5	$ 2.4	4.4%	**$ 44.2**	$ 41.7	$ 2.5	1.5%

(1) Represents change as a percent of Total Electric Operating Revenue.

Total Electric Operating Revenue, increased by $3.3 million, or 6.1%, and decreased by $8.4 million, or 5.2%, in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. Total Electric Operating Revenues include the recovery of the approved cost of electric sales, which are recorded as Purchased Electricity and C&LM in Operating Expenses. The increase in Total Electric Operating Revenues in the third quarter of 2010 reflects higher Purchased Electricity revenues of $0.7 million, higher C&LM revenues of $0.2 million and higher electric sales margin of $2.4 million. The decrease in Total Electric Operating Revenues in the first nine months of 2010 reflects lower Purchased Electricity revenues of $12.4 million, partially offset by higher C&LM revenues of $1.5 million and higher electric sales margin of $2.5 million.

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The Purchased Electricity and C&LM components of Total Electric Operating Revenues increased a combined $0.9 million, or 1.7%, and decreased a combined $10.9 million, or 6.7%, of Total Electric Operating Revenues in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. The increase in the three month period primarily reflects higher kWh sales in the current period. The decrease in the nine month period primarily reflects an increase in the amount of electricity purchased by customers directly from third-party suppliers and lower electric commodity costs, partially offset by higher spending on energy efficiency and conservation programs and increased sales. The Company recovers the cost of Purchased Electricity and C&LM in its rates at cost on a pass through basis.

Electric sales margin increased $2.4 million and $2.5 million in the three and nine months ended September 30, 2010 compared to the same periods in 2009, reflecting higher electric kilowatt-hour (kWh) sales and higher rates, implemented in July 2010 for Unitil Energy Systems, Inc., the Company's New Hampshire electric distribution utility.

Operating Revenue - Other

The following table details total Other Revenue for the three and nine months ended September 30, 2010 and 2009:

Other Revenue (000's)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2010	**2009**	**$ Change**	**% Change**	**2010**	**2009**	**$ Change**	**% Change**
Other	**$ 1.2**	$ 1.0	$ 0.2	20.0%	**$ 3.4**	$ 3.2	$ 0.2	6.3%
Total Other Revenue	**$ 1.2**	$ 1.0	$ 0.2	20.0%	**$ 3.4**	$ 3.2	$ 0.2	6.3%

Total Other Revenue increased $0.2 million, or 20.0%, and $0.2 million, or 6.3%, in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. Other Revenues represents revenues from the Company's non-regulated energy brokering business, Usource.

Operating Expenses

Purchased Gas – Purchased Gas expenses include the cost of gas purchased and manufactured to supply the Company's total gas supply requirements. Purchased Gas increased $2.0 million, or 29.0%, and decreased $5.6 million, or 8.4%, in the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009. The increase in the third quarter of 2010 is due to higher natural gas commodity costs partially offset by lower sales of natural gas. The decrease in the nine month period of 2010 primarily reflects lower sales of natural gas. The Company recovers the approved costs of Purchased Gas in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

Purchased Electricity – Purchased Electricity expenses include the cost of electric supply as well as other energy supply related restructuring costs, including long-term power supply contract buyout costs. Purchased Electricity increased $0.7 million, or 1.8%, and decreased $12.4 million, or 10.4%, in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. The increase in the three month period primarily reflects increased sales in the current period. The decrease in the nine month period primarily reflects an increase in the amount of electricity purchased by customers directly from third-party suppliers and lower electric commodity costs, partially offset by increased sales. The Company recovers the approved costs of Purchased Electricity in its rates at cost on a pass through basis and therefore changes in these expenses do not affect earnings.

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Operation and Maintenance (O&M) – O&M expense includes electric and gas utility operating costs, and the operating cost of the Company's unregulated business activities. Total O&M expenses increased $1.1 million, or 9.2%, and $2.5 million, or 7.3%, for the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009. The changes in O&M expenses reflect higher utility operating costs and professional fees. Utility operating costs primarily consist of compensation and benefit costs, utility distribution and transmission system maintenance costs, bad debt expenses, office expenses and insurance costs. O&M expenses reflect the full integration of Northern Utilities and Granite State into the Company's consolidated operating results.

Conservation & Load Management – Conservation and Load Management expenses are expenses associated with the development, management, and delivery of the Company's energy efficiency programs. Energy efficiency programs are designed, in conformity to state regulatory requirements, to help consumers use natural gas and electricity more efficiently and thereby decrease their energy usage. Programs are tailored to residential, small business and large business customer groups and provide educational materials, technical assistance, and rebates that contribute toward the cost of purchasing and installing approved measures. Approximately 60% of these costs are related to electric operations and 40% to gas operations.

Total C&LM expenses increased $0.4 million, or 33.3% and $2.1 million, or 56.8%, in the three and nine month periods ended September 30, 2010 compared to the same periods in 2009. These approved costs are collected from customers on a pass through basis and therefore, fluctuations in program costs do not affect earnings.

Depreciation, Amortization and Taxes

Depreciation and Amortization – Depreciation and Amortization expense decreased $0.4 million, or 6.1%, and increased $1.1 million, or 5.7% in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009, reflecting higher depreciation on normal utility plant additions partially offset by lower amortization expense in the current year.

Local Property and Other Taxes – Local Property and Other Taxes increased $0.3 million and $0.7 million in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. These increases reflect higher local property tax rates on higher levels of utility plant in service and higher payroll taxes on higher compensation expenses.

Federal and State Income Taxes – Federal and State Income Taxes were higher by $0.4 million in the three month period ended September 30, 2010 compared to the same period in 2009 reflecting higher pre-tax earnings in the current period. For the nine month period ended September 30, 2010, Federal and State Income Taxes were lower by $2.1 million compared to the same period in 2009 reflecting lower pre-tax earnings in the current period.

Other Non-Operating Expenses (Income)

Other Non-Operating Expenses were on par in the three month period ended September 30, 2010 compared to the same period in 2009 and increased by $0.1 million in the nine month period ended September 30, 2010 compared to the same period in 2009.

Interest Expense, Net

Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. In addition, certain reconciling rate mechanisms used by the Company's distribution operating utilities give rise to regulatory assets (and regulatory liabilities) on which interest is calculated.

Unitil's utility subsidiaries operate a number of reconciling rate mechanisms to recover specifically identified costs on a pass through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an

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under-collected or an over-collected balance of costs. In accordance with the distribution utilities' rate tariffs, interest is accrued on these balances and will produce either interest income or interest expense. Consistent with regulatory precedent, interest income is recorded on an under-collection of costs which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

Interest Expense, Net (Millions)	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Three Months Ended September 30, Change	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009	Nine Months Ended September 30, Change
Interest Expense						
Long-term Debt	**$ 5.1**	$ 4.5	$ 0.6	**$ 14.9**	$ 13.7	$ 1.2
Short-term Debt	**0.3**	0.5	(0.2)	**1.1**	1.6	(0.5)
Regulatory Liabilities	**0.1**	0.1	—	**0.2**	0.2	—
Subtotal Interest Expense	**5.5**	5.1	0.4	**16.2**	15.5	0.7
Interest (Income)						
Regulatory Assets	**(0.6)**	(0.6)	—	**(2.3)**	(1.9)	(0.4)
AFUDC[1] and Other	**(0.2)**	(0.5)	0.3	**(0.4)**	(1.1)	0.7
Subtotal Interest (Income)	**(0.8)**	(1.1)	0.3	**(2.7)**	(3.0)	0.3
Total Interest Expense, Net	**$ 4.7**	$ 4.0	$ 0.7	**$ 13.5**	$ 12.5	$ 1.0

(1) AFUDC – Allowance for Funds Used During Construction.

Interest Expense, Net increased $0.7 million and $1.0 million in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. In March 2010, Unitil Energy and Northern Utilities collectively issued $40 million of long-term debt which is contributing to the higher interest expense in the three and nine month periods.

On March 2, 2010, Unitil Energy completed the sale of $15 million of First Mortgage Bonds through a private placement to institutional investors. The First Mortgage Bonds have a maturity of ten years and a coupon rate of 5.24%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

On March 2, 2010, Northern Utilities completed the sale of $25 million of Senior Unsecured Notes through a private placement to institutional investors. The Senior Unsecured Notes have a maturity of ten years and a coupon rate of 5.29%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent and future periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities. The Company initially supplements internally-generated funds through bank borrowings, as needed, under its unsecured short-term bank credit facility. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets. The Company's utility operations are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows.

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The continued availability of these methods of financing, as well as the Company's choice of a specific form of security, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions; the level of the Company's earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

Unitil has a revolving credit facility with a group of banks that extends to October 8, 2013. The borrowing limit under the revolving credit facility is $80.0 million. There was $46.3 million and $64.5 million in short-term debt outstanding through bank borrowings under the revolving credit facility at September 30, 2010 and December 31, 2009, respectively. The total amount of credit available under the Company's revolving credit facility was $33.7 million and $15.5 million at September 30, 2010 and December 31, 2009, respectively. The revolving credit facility contains customary terms and conditions for credit facilities of this type, including, without limitation, covenants restricting the Company's ability to incur liens, merge or consolidate with another entity or change its line of business. The revolving credit agreement also contains a covenant restricting the Company's ability to permit funded debt to exceed 65% of capitalization at the end of each fiscal quarter. As of September 30, 2010, the Company was in compliance with the financial covenants contained in the revolving credit agreement.

On October 8, 2010, the Company entered into the Fourth Amendment Agreement with Bank of America, N.A., as administrative agent, and a syndicate of other lenders party thereto (the "Fourth Amendment Agreement"), further amending the credit agreement dated as of November 26, 2008 among Unitil, Bank of America, N.A., as administrative agent, and a syndicate of other lenders party thereto. The credit agreement was previously amended on January 2, 2009, March 16, 2009, and October 13, 2009 to, among other things, increase the maximum borrowings under the facility to $80.0 million. The Fourth Amendment Agreement extends the scheduled termination date of the credit agreement to October 8, 2013 and provides for two conditional one-year extensions subsequent to the October 8, 2013 termination date (if agreed to among the lenders and Unitil). The Fourth Amendment Agreement also provides the Company a mechanism to request an increase in maximum borrowings of $20.0 million (in increments of not less than $5.0 million). The Fourth Amendment Agreement also provides a new letter of credit sub-facility pursuant to which up to $25.0 million of the credit agreement may be used for the purpose of issuing letters of credit for Unitil or its subsidiaries. Also, see Credit Arrangements in Note 4.

Northern Utilities enters into asset management agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was $12.3 million, $7.6 million and $10.0 million outstanding at September 30, 2010, September 30, 2009 and December 31, 2009, respectively, related to these asset management agreements.

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of September 30, 2010 there are $34.5 million of guarantees outstanding and the longest of these guarantees extends through February 29, 2012. Of this amount, $12.0 million is related to Unitil's guarantee of payment for the term of the Northern Utilities' gas storage agreement discussed above.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite. As of September 30, 2010, the principal amount outstanding for the 8% Unitil Realty notes was $4.0 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite notes due 2018. As of September 30, 2010, the principal amount outstanding for the 7.15% Granite notes was $10.0 million.

Off-Balance Sheet Arrangements

The Company and its subsidiaries do not currently use, and are not dependent on the use of, off-balance sheet financing arrangements such as securitization of receivables or obtaining access to assets or cash through special purpose entities or variable interest entities. Unitil's subsidiaries conduct a portion of their

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operations in leased facilities and also lease some of their vehicles, machinery and office equipment under both capital and operating lease arrangements.

Cash Flows

Unitil's utility operations, taken as a whole, are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows. The tables below summarize the major sources and uses of cash (in millions) for the nine months ended September 30, 2010 compared to the same period in 2009.

	Nine Months Ended September 30,	
	2010	**2009**
Cash Provided by Operating Activities	**$ 21.5**	$ 45.4

Cash Provided by Operating Activities – Cash Provided by Operating Activities was $21.5 million for the first nine months of 2010 compared to $45.4 million in the same period of 2009. In the first nine months of 2010 as compared to the first nine months of 2009, net sources of cash flow from Net Income, adjusted for non-cash charges to depreciation, amortization and deferred taxes decreased by $9.3 million, changes in working capital items decreased $30.0 million, and changes in all other Operating Activities increased $15.4 million. A portion of the $30.0 million decrease in changes in working capital items resulted from a decrease in sources of cash from gas inventory of $19.4 million driven by changes in natural gas prices. The Company finances its gas inventory requirements with asset management agreements (see Credit Arrangements in Note 4), and reflects this activity in Cash Provided by Financing Activities.

	Nine Months Ended September 30,	
	2010	**2009**
Cash (Used in) Investing Activities	**$ (33.8)**	$ (49.8)

Cash (Used in) Investing Activities – Cash (Used in) Investing Activities was ($33.8) million for the nine months ended September 30, 2010 compared to ($49.8) million for the same period in 2009. In the first nine months of 2010, the Company recorded ($1.3) million in capital expenditures related to the February 2010 wind storm. Capital spending in the same period of 2009 included ($8.2) million related to the December 2008 ice storm and ($6.8) million of acquisition costs related to the acquisitions of Northern Utilities and Granite. All other remaining capital spending is representative of normal distribution utility capital expenditures and was ($32.5) million in the first nine months of 2010 compared to ($34.8) million compared to the same period of 2009. Capital expenditures are projected to be approximately ($55.0) million for 2010 and ($60.0) million for 2011, reflecting normal electric and gas utility system additions.

	Nine Months Ended September 30,	
	2010	**2009**
Cash Provided by Financing Activities	**$ 12.6**	$ 1.9

Cash Provided by Financing Activities – Cash Provided by Financing Activities was $12.6 million for the nine months ended September 30, 2010 compared to $1.9 million for the same period in 2009. In March 2010, Unitil Energy and Northern Utilities closed long-term debt financings of $15.0 million and $25.0 million, respectively. The net proceeds of $39.7 million from these financings were used to

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refinance short-term borrowings. Short-term borrowings were reduced by ($18.2) million in the first nine months of 2010. Other uses of cash include ($11.3) million for quarterly dividend payments compared to ($9.4) million for the same period in 2009. Proceeds from issuances of common stock and gas inventory financing provided a source of cash of $0.7 million and $2.3 million, respectively. All other uses of cash were ($0.6) million.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, the Company is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgment, the financial position of the Company could be materially affected and the results of operations of the Company could be materially different than reported. The following is a summary of the Company's most critical accounting policies, which are defined as those policies where judgments or uncertainties could materially affect the application of those policies. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 10, 2010.

Regulatory Accounting – The Company's principal business is the distribution of electricity and natural gas by the three distribution utilities: Unitil Energy, Fitchburg and Northern Utilities. Unitil Energy and Fitchburg are subject to regulation by the FERC. Fitchburg is also regulated by the MDPU, Unitil Energy is regulated by the NHPUC and Northern Utilities is regulated by the MPUC and NHPUC. Granite, the Company's natural gas transmission pipeline, is regulated by the FERC. Accordingly, the Company uses the Regulated Operations guidance as set forth in the FASB Codification. The Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

Regulatory Assets consist of the following (millions)

	September 30,		December 31,
	2010	**2009**	**2009**
Energy Supply Contract Obligations	**$ 24.3**	$ 38.1	$ 34.7
Deferred Restructuring Costs	**25.8**	27.7	28.3
Generation-related Assets	**—**	0.2	—
Subtotal – Restructuring Related Items	**50.1**	66.0	63.0
Retirement Benefit Obligations	**43.6**	46.3	43.7
Income Taxes	**13.2**	15.1	14.5
Environmental Obligations	**20.6**	21.4	22.7
Deferred Storm Charges	**21.0**	14.1	14.6
Other	**10.1**	8.2	7.9
Total Regulatory Assets	**$ 158.6**	$ 171.1	$ 166.4
Less: Current Portion of Regulatory Assets[(1)]	**16.6**	20.5	21.9
Regulatory Assets – noncurrent	**$ 142.0**	$ 150.6	$ 144.5

(1) Reflects amounts included in Accrued Revenue on the Company's Consolidated Balance Sheets.

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The Company receives a return on investment on its regulated assets for which a cash outflow has been made. Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's consolidated financial statements. The Company believes it is probable that its regulated distribution and transmission utilities will recover their investments in long-lived assets, including regulatory assets. If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of the FASB Codification topic on Regulated Operations. If unable to continue to apply the FASB Codification provisions for Regulated Operations, the Company would be required to apply the provisions for the Discontinuation of Rate-Regulated Accounting included in the FASB Codification. In the Company's opinion, its regulated operations will be subject to the FASB Codification provisions for Regulated Operations for the foreseeable future.

Utility Revenue Recognition – Regulated utility revenues are based on rates and charges approved by federal and state regulatory commissions. Revenues related to the sale of electric and gas service are recorded when service is rendered or energy is delivered to customers. However, the determination of energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each calendar month, amounts of energy delivered to customers since the date of the last meter reading are estimated and the corresponding unbilled revenue is estimated. This unbilled revenue is estimated each month based on estimated customer usage by class and applicable customer rates.

Allowance for Doubtful Accounts – The Company recognizes a provision for doubtful accounts each month based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. At the end of each month, an analysis of the delinquent receivables is performed which takes into account an assumption about the cash recovery of delinquent receivables. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company's distribution utilities are authorized by regulators to recover the costs of their energy commodity portion of bad debts through rate mechanisms. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis, including expected fuel assistance payments from governmental authorities and the level of customers enrolling in payment plans with the Company. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

Retirement Benefit Obligations – The Company sponsors the Unitil Corporation Retirement Plan (Pension Plan), which is a defined benefit pension plan covering substantially all of its employees. The Company also sponsors an unfunded retirement plan, the Unitil Corporation Supplemental Executive Retirement Plan (SERP), covering certain executives of the Company and an employee 401(k) savings plan. Additionally, the Company sponsors the Unitil Employee Health and Welfare Benefits Plan (PBOP Plan), primarily to provide health care and life insurance benefits to retired employees.

The Company records on its balance sheets as an asset or liability the overfunded or underfunded status of their retirement benefit obligations (RBO) based on the projected benefit obligation. The Company has recognized a corresponding Regulatory Asset, to recognize the future collection of these obligations in electric and gas rates.

The Company's reported costs of providing retirement benefits are dependent upon numerous factors resulting from actual plan experience and assumptions of future experience. The Company has made critical estimates related to actuarial assumptions, including assumptions of expected returns on plan assets, future compensation, health care cost trends, and appropriate discount rates. The Company's RBO are affected by actual employee demographics, the level of contributions made to the plans, earnings on plan assets, and health care cost trends. Changes made to the provisions of these plans may also affect current and future costs.

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The Company's RBO may also be significantly affected by changes in key actuarial assumptions, including, anticipated rates of return on plan assets and the discount rates used in determining the Company's RBO. If these assumptions were changed, the resultant change in benefit obligations, fair values of plan assets, funded status and net periodic benefit costs could have a material impact on the Company's financial statements. The discount rate assumptions used in determining retirement plan costs and retirement plan obligations are based on a market average of long-term bonds that receive one of the two highest ratings given by a recognized rating agency. For the years ended December 31, 2009 and 2008, a change in the discount rate of 0.25% would have resulted in an increase or decrease of approximately $300,000 and $200,000, respectively, in the Net Periodic Benefit Cost for the Pension Plan. For the years ended December 31, 2009 and 2008, a 1.0% increase in the assumption of health care cost trend rates would have resulted in increases in the Net Periodic Benefit Cost for the PBOP Plan of $735,000 and $675,000, respectively. Similarly, a 1.0% decrease in the assumption of health care cost trend rates for those same time periods would have resulted in decreases in the Net Periodic Benefit Cost for the PBOP Plan of $576,000 and $531,000, respectively. See Note 9 to the accompanying Consolidated Financial Statements.

Income Taxes – Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheets.

Depreciation – Depreciation expense is calculated on a group straight-line basis based on the useful lives of assets and judgment is involved when estimating the useful lives of certain assets. The Company conducts independent depreciation studies on a periodic basis as part of the regulatory ratemaking process and considers the results presented in these studies in determining the useful lives of the Company's fixed assets. A change in the estimated useful lives of these assets could have a material impact on the Company's consolidated financial statements.

Commitments and Contingencies – The Company's accounting policy is to record and/or disclose commitments and contingencies in accordance with the FASB Codification as it applies to an existing condition, situation, or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. As of September 30, 2010, the Company is not aware of any material commitments or contingencies other than those disclosed in the Commitments and Contingencies footnote to the Company's consolidated financial statements below.

Refer to "Recently Issued Accounting Pronouncements in Note 1 of the Notes of Consolidated Financial Statements for information regarding recently issued accounting standards.

LABOR RELATIONS

As of September 30, 2010, the Company and its subsidiaries had 437 employees. The Company considers its relationship with employees to be good and has not experienced any major labor disruptions.

As of September 30, 2010, 150 of the Company's employees were represented by labor unions. These employees are covered by four separate collective bargaining agreements which expire on March 31, 2012, May 31, 2012, May 31, 2013 and June 5, 2014. The agreements provide discreet salary adjustments, established work practices and uniform benefit packages. The Company expects to negotiate new agreements prior to their expiration dates.

INTEREST RATE RISK

As discussed above, Unitil meets its external financing needs by issuing short-term and long-term debt. The majority of debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the

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issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new issuances of long-term debt securities. In addition, short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease interest expense in future periods. For example, if the average amount of short-term debt outstanding was $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000. The average interest rates on the Company's short-term borrowings for the three months ended September 30, 2010 and September 30, 2009 were 2.32% and 2.05%, respectively. The average interest rates on the Company's short-term borrowings for the nine months ended September 30, 2010 and September 30, 2009 were 2.30% and 3.82%, respectively.

MARKET RISK

Although Unitil's three distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making. Additionally, as discussed above and below in Regulatory Matters, the Company has divested its commodity-related contracts and therefore, further reduced its exposure to commodity risk.

REGULATORY MATTERS

Please refer to Note 6 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

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Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Operating Revenues				
Gas	**$ 17.4**	$ 15.2	**$ 102.2**	$ 111.0
Electric	**57.5**	54.2	**154.9**	163.3
Other	**1.2**	1.0	**3.4**	3.2
Total Operating Revenues	**76.1**	70.4	**260.5**	277.5
Operating Expenses				
Purchased Gas	**8.9**	6.9	**61.5**	67.1
Purchased Electricity	**39.6**	38.9	**107.1**	119.5
Operation and Maintenance	**13.1**	12.0	**36.9**	34.4
Conservation & Load Management	**1.6**	1.2	**5.8**	3.7
Depreciation and Amortization	**6.2**	6.6	**20.4**	19.3
Provisions (Benefit) for Taxes:				
Local Property and Other	**2.7**	2.4	**8.3**	7.6
Federal and State Income	**(0.6)**	(1.0)	**2.3**	4.4
Total Operating Expenses	**71.5**	67.0	**242.3**	256.0
Operating Income	**4.6**	3.4	**18.2**	21.5
Non-Operating Expenses (Income)	**—**	—	**0.3**	0.2
Income Before Interest Expense	**4.6**	3.4	**17.9**	21.3
Interest Expense, Net	**4.7**	4.0	**13.5**	12.5
Net Income (Loss)	**(0.1)**	(0.6)	**4.4**	8.8
Less: Dividends on Preferred Stock	**—**	—	**0.1**	0.1
Earnings (Loss) Applicable to Common Shareholders	**$ (0.1)**	$ (0.6)	**$ 4.3**	$ 8.7
Weighted Average Common Shares Outstanding – Basic (000's)	**10,830**	10,767	**10,817**	9,267
Weighted Average Common Shares Outstanding – Diluted (000's)	**10,830**	10,767	**10,818**	9,267
Earnings Per Common Share (Basic and Diluted)	**$ (0.01)**	$ (0.06)	**$ 0.40**	$ 0.94
Dividends Declared Per Share of Common Stock	**$ 0.345**	$ 0.345	**$ 1.38**	$ 1.38

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)
(UNAUDITED)

	September 30, 2010	September 30, 2009	December 31, 2009
ASSETS:			
Utility Plant:			
Electric	**$ 313.5**	$ 300.0	$ 302.3
Gas	**348.5**	316.9	325.5
Common	**30.4**	28.8	28.9
Construction Work in Progress	**18.9**	19.6	26.0
Total Utility Plant	**711.3**	665.3	682.7
Less: Accumulated Depreciation	**247.7**	227.4	233.0
Net Utility Plant	**463.6**	437.9	449.7
Current Assets:			
Cash	**8.0**	9.0	7.7
Accounts Receivable – Net of Allowance for Doubtful Accounts of $2.6, $2.4 and $2.5	**27.2**	27.2	33.5
Accrued Revenue	**35.7**	34.0	44.0
Gas Inventory	**15.9**	13.8	14.3
Materials and Supplies	**3.3**	2.9	2.6
Prepayments and Other	**3.0**	8.3	4.7
Total Current Assets	**93.1**	95.2	106.8
Noncurrent Assets:			
Regulatory Assets	**142.0**	150.6	144.5
Other Noncurrent Assets	**26.3**	27.5	24.2
Total Noncurrent Assets	**168.3**	178.1	168.7
TOTAL ASSETS	**$ 725.0**	$ 711.2	$ 725.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions)
(UNAUDITED)

	September 30, 2010	September 30, 2009	December 31, 2009
CAPITALIZATION AND LIABILITIES:			
Capitalization:			
Common Stock Equity	**$ 183.5**	$ 191.6	$ 193.1
Preferred Stock	**2.0**	2.0	2.0
Long-Term Debt, Less Current Portion	**288.5**	249.0	248.9
Total Capitalization	**474.0**	442.6	444.0
Current Liabilities:			
Long-Term Debt, Current Portion	**0.5**	0.4	0.4
Accounts Payable	**16.0**	18.6	25.1
Short-Term Debt	**46.3**	54.0	64.5
Energy Supply Contract Obligations	**23.0**	21.4	23.1
Other Current Liabilities	**24.2**	25.0	16.6
Total Current Liabilities	**110.0**	119.4	129.7
Deferred Income Taxes	**37.2**	38.2	39.8
Noncurrent Liabilities:			
Energy Supply Contract Obligations	**13.6**	24.3	21.7
Retirement Benefit Obligations	**67.2**	69.2	65.5
Environmental Obligations	**14.2**	10.9	14.3
Other Noncurrent Liabilities	**8.8**	6.6	10.2
Total Noncurrent Liabilities	**103.8**	111.0	111.7
TOTAL CAPITALIZATION AND LIABILITIES	**$ 725.0**	$ 711.2	$ 725.2

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

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Operating Activities:		
Net Income	**$ 4.4**	$ 8.8
Adjustments to Reconcile Net Income to Cash		
Provided by Operating Activities:		
Depreciation and Amortization	**20.4**	19.3
Deferred Tax Provision	**(0.9)**	5.1
Changes in Working Capital Items:		
Accounts Receivable	**6.3**	12.5
Accrued Revenue	**8.3**	22.9
Gas Inventory	**(1.6)**	17.8
Accounts Payable	**(9.1)**	(9.9)
Other Changes in Working Capital Items	**1.2**	(8.2)
Deferred Regulatory and Other Charges	**(4.0)**	(14.3)
Other, net	**(3.5)**	(8.6)
Cash Provided by Operating Activities	**21.5**	45.4
Investing Activities:		
Property, Plant and Equipment Additions	**(33.8)**	(43.0)
Acquisition Costs	**—**	(6.8)
Cash (Used in) Investing Activities	**(33.8)**	(49.8)
Financing Activities:		
Repayment of Short-Term Debt	**(18.2)**	(20.1)
Proceeds From Issuance (Repayment of) Long-Term Debt, net	**39.7**	(0.3)
Net Increase (Decrease) in Gas Inventory Financing	**2.3**	(24.2)
Dividends Paid	**(11.3)**	(9.4)
Proceeds from Issuance of Common Stock, net	**0.7**	56.2
Other, net	**(0.6)**	(0.3)
Cash Provided by Financing Activities	**12.6**	1.9
Net Increase (Decrease) in Cash	**0.3**	(2.5)
Cash at Beginning of Period	**7.7**	11.5
Cash at End of Period	**$ 8.0**	$ 9.0
Supplemental Cash Flow Information:		
Interest Paid	**$ 12.5**	$ 11.6
Income Taxes Paid	**$ 1.0**	$ 0.6

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (Unitil Energy), Fitchburg Gas and Electric Light Company (Fitchburg), Northern Utilities, Inc. (Northern Utilities), Granite State Gas Transmission, Inc. (Granite), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource, Inc. and Usource L.L.C. (collectively, "Usource") are subsidiaries of Unitil Resources.

On December 1, 2008, the Company purchased: (i) all of the outstanding capital stock of Northern Utilities, a natural gas distribution utility serving customers in Maine and New Hampshire, from Bay State Gas Company (Bay State) and (ii) all of the outstanding capital stock of Granite, an interstate gas transmission pipeline company primarily serving the needs of Northern Utilities, from NiSource, Inc. (NiSource) pursuant to the Stock Purchase agreement dated as of February 15, 2008 by and among NiSource, Bay State, and Unitil (the "Acquisitions"). The final purchase price allocation is disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2009 as filed with the Securities and Exchange Commission on February 10, 2010.

Unitil's principal business is the local distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire and the greater Fitchburg area of north central Massachusetts and the local distribution of natural gas in southeastern New Hampshire, portions of southern and central Maine and in the greater Fitchburg area of north central Massachusetts. Unitil has three distribution utility subsidiaries, Unitil Energy, which operates in New Hampshire, Fitchburg, which operates in Massachusetts and Northern Utilities, which operates in New Hampshire and Maine (collectively referred to as the distribution utilities).

Granite is a natural gas transportation pipeline, operating 87 miles of underground gas transmission pipeline primarily located in Maine, New Hampshire and Massachusetts. Granite provides Northern Utilities with interconnection to three major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north. Granite derives its revenues principally from the transportation services provided to Northern Utilities and, to a lesser extent, third –party marketers.

A fifth utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve Unitil Energy's customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service; Unitil Realty; and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology, energy management and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource is a wholly-owned subsidiary of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all

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adjustments considered necessary for a fair presentation have been included. The results of operations for the three and nine months ended September 30, 2010 are not necessarily indicative of results to be expected for the year ending December 31, 2010. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2009, as filed with the Securities and Exchange Commission (SEC) on February 10, 2010, for a description of the Company's Basis of Presentation.

Between December 2008 and June 2009 the Company issued 5.0 million common shares to complete the Acquisitions. As a result of the Acquisitions and the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the Acquisitions and stock issuance is fully reflected in both reporting periods. Also, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

Derivatives – The Company has a regulatory approved hedging program for Northern Utilities designed to fix a portion of its gas supply costs for the coming year of service. In order to fix these costs, the Company purchases natural gas futures contracts on the New York Mercantile Exchange (NYMEX) that correspond to the associated delivery month. Any gains or losses resulting from the change in the fair value of these derivatives are passed through to ratepayers directly through a regulatory commission approved recovery mechanism. The fair value of these derivatives is determined using Level 2 inputs (valuations based on quoted prices available in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are directly observable, and inputs derived principally from market data), specifically based on the NYMEX closing prices for outstanding contracts as of the balance sheet date. As a result of the ratemaking process, the Company records gains and losses resulting from the change in fair value of the derivatives as regulatory liabilities or assets, then reclassifies these gains or losses into Purchased Gas when the gains and losses are passed through to customers in accordance with rate reconciling mechanisms.

As of September 30, 2010, September 30, 2009 and December 31, 2009, the Company had 1.3 billion, 2.1 billion and 1.9 billion cubic feet (BCF), respectively, outstanding in natural gas purchase contracts under its hedging program.

Liability Derivatives ($ millions)

The tables below show derivatives, which are part of the regulatory approved hedging program, that are not designated as hedging instruments, under FASB ASC 815-20. As discussed above, the change in fair value related to these derivatives is recorded initially as a Regulatory Asset then reclassified to Purchased Gas in accordance with the recovery mechanism. The tables below include disclosure of the Regulatory Asset and reclassifications from the Regulatory Asset into Purchased Gas.

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Fair Value Amount Offset in Regulatory Assets, as of:

Description	Balance Sheet Location	Fair Value September 30, 2010	Fair Value September 30, 2009	Fair Value December 31, 2009
Natural Gas Futures Contracts	Other Current Liabilities	$ 1.7	$ 3.6	$ 2.2
Natural Gas Futures Contracts	Other Noncurrent Liabilities	0.3	—	0.1
Total		$ 2.0	$ 3.6	$ 2.3

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Amount of (Gain) / Loss Recognized in Regulatory Assets for Derivatives:				
Natural Gas Futures Contracts	$ 0.7	$ (1.9)	$ 3.6	$ 3.7
Amount of Loss Reclassified into Consolidated Statements of Earnings[1]:				
Purchased Gas	$ —	$ —	$ 3.9	$ 5.8

(1) These amounts are offset in the Consolidated Statements of Earnings with Accrued Revenue and therefore there is no effect on earnings.

Subsequent Events – The Company has evaluated all events or transactions through the date of this filing. During this period, the Company did not have any material subsequent events that impacted its consolidated financial statements.

Reclassifications – Certain amounts previously reported have been reclassified to improve the financial statements' presentation and to conform to current year presentation.

Recently Issued Pronouncements – There are no recently issued pronouncements that the Company has not already adopted.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
09/22/10	11/15/10	11/01/10	$0.345
06/17/10	08/16/10	08/02/10	$0.345
03/25/10	05/14/10	04/30/10	$0.345
01/14/10	02/16/10	02/02/10	$0.345
09/23/09	11/16/09	11/02/09	$0.345
06/18/09	08/14/09	07/31/09	$0.345
03/26/09	05/15/09	05/01/09	$0.345
01/15/09	02/16/09	02/02/09	$0.345

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NOTE 3 – COMMON STOCK AND PREFERRED STOCK

Common Stock

The Company's common stock trades under the symbol "UTL".

On September 10, 2008, the Company's shareholders, at a Special Meeting of Shareholders, approved an increase in the number of authorized shares of the Company's common stock. Shareholders approved an amendment to the Company's Articles of Incorporation to increase the authorized number of shares of the Company's common stock, from 8,000,000 shares to 16,000,000 shares in the aggregate. The Company had 10,879,741, 10,827,061 and 10,836,759 of common shares outstanding at September 30, 2010, September 30, 2009 and December 31, 2009, respectively.

Unitil Corporation Common Stock Offering – Between December 2008 and June 2009, the Company sold 4,970,000 shares of its common stock at a price of $20.00 per share in registered public offerings. The Company used the net proceeds of $93.1 million from these offerings primarily to complete the acquisitions of Northern Utilities and Granite. Please see Note 3 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2009 as filed with the SEC on February 10, 2010 for additional information.

Dividend Reinvestment and Stock Purchase Plan – During the first nine months of 2010, the Company sold 30,934 shares of its Common Stock, at an average price of $21.68 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans, resulting in net proceeds of approximately $671,000.

During the first nine months of 2009, the Company sold 33,184 shares of its Common Stock, at an average price of $20.88 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan and its 401(k) plans, resulting in net proceeds of approximately $693,000.

Restricted Stock Plan – The Company maintains a Restricted Stock Plan (the Plan) which has been ratified and approved by the Company's shareholders. On February 5, 2010, 12,520 restricted shares were issued in conjunction with the Plan with an aggregate market value at the date of issuance of $262,920. There were 33,608 and 40,153 non-vested shares under the Plan as of September 30, 2010 and 2009, respectively. The weighted average grant date fair value of these shares was $21.92 and $22.87, respectively. The compensation expense associated with the issuance of shares under the Plan is being recognized over the vesting period and was $0.4 million and $0.4 million for the nine months ended September 30, 2010 and 2009, respectively. At September 30, 2010, there was approximately $0.9 million of total unrecognized compensation cost under the Plan which is expected to be recognized over approximately 2.5 years. There were 472 restricted shares forfeited under the Plan during the nine months ended September 30, 2010. There were no cancellations under the Plan during the nine months ended September 30, 2010.

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Preferred Stock

Details on preferred stock at September 30, 2010, September 30, 2009 and December 31, 2009 are shown below:

(Amounts in Millions)

	September 30, 2010	September 30, 2009	December 31, 2009
Preferred Stock			
Unitil Energy Preferred Stock, Non-Redeemable, Non-Cumulative:			
6.00% Series, $100 Par Value	**$ 0.2**	$ 0.2	$ 0.2
Fitchburg Preferred Stock, Redeemable, Cumulative:			
5.125% Series, $100 Par Value	**0.8**	0.8	0.8
8.00% Series, $100 Par Value	**1.0**	1.0	1.0
Total Preferred Stock	**$ 2.0**	$ 2.0	$ 2.0

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NOTE 4 – LONG-TERM DEBT, CREDIT ARRANGEMENTS AND GUARANTEES

Long-Term Debt

Details on long-term debt at September 30, 2010, September 30, 2009 and December 31, 2009 are shown below ($ Millions):

	September 30,		December 31,
	2010	**2009**	**2009**
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
5.24% Series, Due March 2, 2020	**15.0**	—	—
8.49% Series, Due October 14, 2024	**15.0**	15.0	15.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**19.0**	19.0	19.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
Northern Utilities Senior Notes:			
6.95% Senior Notes, Due December 3, 2018	**30.0**	30.0	30.0
5.29% Senior Notes, Due March 2, 2020	**25.0**	—	—
7.72% Senior Notes, Due December 3, 2038	**50.0**	50.0	50.0
Granite Senior Notes:			
7.15% Senior Notes, Due December 15, 2018	**10.0**	10.0	10.0
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due Through August 1, 2017	**4.0**	4.4	4.3
Total Long-Term Debt	**289.0**	249.4	249.3
Less: Current Portion	**0.5**	0.4	0.4
Total Long-term Debt, Less Current Portion	**$ 288.5**	$ 249.0	$ 248.9

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt at September 30, 2010 is estimated to be approximately $329 million, before considering any costs, including prepayment costs, which generally require a "make-whole" payment, to market the Company's debt. Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements.

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On March 2, 2010, Unitil Energy completed the sale of $15 million of First Mortgage Bonds through a private placement to institutional investors. The First Mortgage Bonds have a maturity of ten years and a coupon rate of 5.24%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

On March 2, 2010, Northern Utilities completed the sale of $25 million of Senior Unsecured Notes through a private placement to institutional investors. The Senior Unsecured Notes have a maturity of ten years and a coupon rate of 5.29%. The Company used the proceeds from this long-term financing to repay short-term debt and for general corporate purposes.

Credit Arrangements

At September 30, 2010, the Company had $46.3 million in short-term debt outstanding through bank borrowings under its revolving credit facility which extends through October 8, 2013. The borrowing limit under the revolving credit facility is $80.0 million. The total amount of credit available under the Company's revolving credit facility at September 30, 2010 was $33.7 million. The revolving credit facility contains customary terms and conditions for credit facilities of this type, including, without limitation, covenants restricting the Company's ability to incur liens, merge or consolidate with another entity or change its line of business. The revolving credit agreement also contains a covenant restricting the Company's ability to permit funded debt to exceed 65% of capitalization at the end of each fiscal quarter. As of September 30, 2010, the Company was in compliance with the financial covenants contained in the revolving credit agreement.

On October 8, 2010, the Company entered into the Fourth Amendment Agreement with Bank of America, N.A., as administrative agent, and a syndicate of other lenders party thereto (the "Fourth Amendment Agreement"), further amending the credit agreement dated as of November 26, 2008 among Unitil, Bank of America, N.A., as administrative agent, and a syndicate of other lenders party thereto. The credit agreement was previously amended on January 2, 2009, March 16, 2009, and October 13, 2009 to, among other things, increase the maximum borrowings under the facility to $80.0 million. The Fourth Amendment Agreement extends the scheduled termination date of the credit agreement to October 8, 2013 and provides for two conditional one-year extensions subsequent to the October 8, 2013 termination date (if agreed to among the lenders and Unitil). The Fourth Amendment Agreement also provides the Company a mechanism to request an increase in maximum borrowings of $20.0 million (in increments of not less than $5.0 million). The Fourth Amendment Agreement also provides a new letter of credit sub-facility pursuant to which up to $25.0 million of the credit agreement may be used for the purpose of issuing letters of credit for Unitil or its subsidiaries.

Northern Utilities enters into asset management agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was $12.3 million, $7.6 million and $10.0 million outstanding at September 30, 2010, September 30, 2009 and December 31, 2009, respectively, related to these asset management agreements.

Guarantees

The Company also provides limited guarantees on certain energy and natural gas storage management contracts entered into by the three distribution utilities. The Company's policy is to limit these guarantees to two years or less. As of September 30, 2010 there are $34.5 million of guarantees outstanding and the longest of these guarantees extends through October 31, 2011. Of this amount, $12.0 million is related to Unitil's guarantee of payment for the term of the Northern Utilities' gas storage agreement discussed above.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite. As of September 30, 2010, the principal amount outstanding for the 8% Unitil Realty notes was $4.0 million. On December 15, 2008, the Company entered into a guarantee for the payment of principal, interest and other amounts payable on the $10 million Granite notes due

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2018. As of September 30, 2010, the principal amount outstanding for the 7.15% Granite notes was $10.0 million. This guarantee will terminate if Granite reorganizes and merges with and into Northern Utilities.

NOTE 5 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three and nine months ended September 30, 2010 and September 30, 2009 (Millions):

	Electric	Gas	Other	Non-Regulated	Total
Three Months Ended September 30, 2010					
Revenues	**$ 57.5**	**$ 17.4**	**$ —**	**$ 1.2**	**$ 76.1**
Segment Profit (Loss)	**3.0**	**(3.4)**	**(0.1)**	**0.4**	**(0.1)**
Capital Expenditures	**6.0**	**7.5**	**1.1**	**—**	**14.6**
Three Months Ended September 30, 2009					
Revenues	$ 54.2	$ 15.2	$ —	$ 1.0	$ 70.4
Segment Profit (Loss)	1.9	(2.9)	—	0.4	(0.6)
Capital Expenditures	6.1	10.1	0.7	—	16.9
Nine Months Ended September 30, 2010					
Revenues	**$ 154.9**	**$ 102.2**	**$ —**	**$ 3.4**	**$ 260.5**
Segment Profit (Loss)	**5.0**	**(1.9)**	**0.1**	**1.1**	**4.3**
Capital Expenditures	**13.9**	**17.8**	**2.1**	**—**	**33.8**
Segment Assets	**356.8**	**356.6**	**6.9**	**4.7**	**725.0**
Nine Months Ended September 30, 2009					
Revenues	$ 163.3	$ 111.0	$ —	$ 3.2	$ 277.5
Segment Profit (Loss)	3.2	4.2	0.1	1.2	8.7
Capital Expenditures	21.2	21.0	0.8	—	43.0
Segment Assets	348.5	352.6	8.0	2.1	711.2

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED MORE FULLY IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2009 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 10, 2010.

Legal Proceedings

A putative class action Complaint was filed against Fitchburg on January 7, 2009 in Worcester Superior Court in Worcester, Massachusetts, captioned Bellerman v. Fitchburg Gas and Electric Light Company. On April 1, 2009 an Amended Complaint was filed in Worcester Superior Court and served on Fitchburg. The Amended Complaint seeks an unspecified amount of damages including the cost of temporary housing and alternative fuel sources, emotional and physical pain and suffering and property damages allegedly incurred by customers in connection with the loss of electric service during the ice storm in Fitchburg's service territory in December, 2008. The Amended Complaint includes M.G.L. ch. 93A claims for purported unfair and deceptive trade practices related to the December 2008 Storm. On September 4, 2009, the Superior Court issued its order on the Company's Motion to Dismiss the Complaint, granting it in part and denying it in part. The Company anticipates that the court will decide whether the lawsuit is

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appropriate for class action treatment in the fall of 2011. The Company continues to believe the suit is without merit, and will defend itself vigorously.

Regulatory Matters

Unitil Energy Rate Case Filing – On April 15, 2010, Unitil Energy filed a proposed base rate increase of $10.1 million, an increase of 6.5 percent above present rates. In addition, Unitil Energy requested adjustments for a Rate Year Step Adjustment, a Large Capital Project Step Adjustment and a long-term rate plan establishing step adjustments associated with the Company's Reliability Enhancement Plan and Vegetation Management Plan. On June 29, 2010, the NHPUC issued an order approving a temporary rate increase for Unitil Energy of $5.2 million (annual) effective July 1, 2010 which is being collected by a uniform per kilowatt-hour (kWh) surcharge of $0.00438 on each of Unitil Energy's current rate schedules. Of the $5.2 million rate increase, $500,000 of the increase is intended to permit Unitil Energy to annually recover expenses incurred during the December 2008 ice storm and another $500,000 of the increase is intended to fund higher planned vegetation management program expenditures. Once permanent rates are approved by the NHPUC, they will be reconciled to the date temporary rates were ordered, July 1, 2010. Final review and approval by the NHPUC of Unitil Energy's permanent base rate increase request is scheduled to be completed by February 2011.

Major Ice Storm – On December 11 and 12, 2008, a severe ice storm (December 2008 Ice Storm) struck the New England region. The Company spent approximately $23.3 million for the repair and replacement of electric distribution systems damaged during the storm, including $8.3 million related to capital construction and $15.0 million, including carrying charges, which has been deferred as a regulatory asset, based on orders issued by the MDPU and NHPUC, discussed below. Also, the Company expensed $3.0 million for professional fees related to the ice storm, in addition to normal anticipated expenditures related to emergency storm preparedness. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. However, if it were ultimately determined that certain of these costs were not recoverable in rates, and/or the Company were required to incur additional costs to defend itself, there may be a significant impact on the Company's results of operations in future periods.

The MDPU conducted an investigation of Fitchburg's preparation for and response to the December 2008 Ice Storm during the first half of 2009. On November 2, 2009, the MDPU issued its order with respect to its investigation, finding that Fitchburg's preparation for, and response to, the December 2008 Ice Storm constituted a failure of the Company to meet its public service obligation to provide safe and reliable service, and ordered several remedial actions. First, the MDPU ordered a comprehensive independent management audit of Fitchburg's management practices. The management audit, which will be performed by Jacobs Consultancy Inc., will begin in the fourth quarter of 2010. Second, the MDPU directed Fitchburg to implement a series of operational and capital improvements which had been identified and recommended through the Company's self-assessment review. All of these operational and capital improvements have either been completed or are currently underway, and remain subject to MDPU review. Finally, the MDPU noted that the costs incurred by Fitchburg for the December 2008 Ice Storm would be subject to review in Fitchburg's next electric rate case, along with Fitchburg's rate of return.

On December 30, 2009, the MDPU approved Fitchburg's petition to defer and record as a regulatory asset costs associated with the repair of its electric distribution system from damage caused by the December 2008 Ice Storm for future recovery in rates. The order of approval made no findings as to whether the subject expenses were reasonable or whether they can be recovered from ratepayers, and confirmed that the MDPU will consider the subsequent ratemaking treatment of the expense as part of Fitchburg's next rate case. As of September 30, 2010, Fitchburg has deferred approximately $13.0 million, including carrying charges, associated with the repair of its electric distribution system for future recovery in rates.

On November 9, 2009, the NHPUC granted Unitil Energy's petition to defer and record as a regulatory asset costs associated with electric distribution system damage from the December 2008 Ice Storm until such time as the Commission issues a final order in Unitil Energy's pending base rate case. The Order clarified that the issues of the appropriate amount of the storm related expenses to be recovered, the

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timing and manner of recovery, and what, if any, return should be applied to the unrecovered balance are to be reviewed in the rate case. As of September 30, 2010, Unitil Energy has deferred approximately $2.0 million, including carrying charges, associated with the repair of its electric distribution system for future recovery in rates.

On January 8, 2010, the NHPUC opened a docket to consider Unitil Energy's response to the December 2008 Ice Storm, including the timing of its response, its restoration priorities and strategies and the procurement and allocation of its resources in New Hampshire and Massachusetts. On September 24, 2010, the NHPUC issued its final order in this matter and closed its investigation, accepting the NHPUC Staff's Report finding that UES had acted reasonably.

Fitchburg – Electric Operations – On November 25, 2009, Fitchburg submitted to the MDPU its annual (2009) reconciliation of costs and revenues for Transition and Transmission under its restructuring plan (the Annual Reconciliation Filing). The rates were approved effective January 1, 2010, subject to reconciliation pending further investigation by the MDPU. This matter remains pending. A final order approving Fitchburg's 2008 Annual Reconciliation Filing was issued on April 12, 2010.

On November 12, 2009, the Governor of Massachusetts signed House Bill 4329. The bill (i) requires the MDPU to establish regulations for utilities to respond to emergencies, (ii) requires utilities to file with the MDPU annual emergency response plans, (iii) authorizes the MDPU to impose penalties for a utility's failure to comply with the MDPU's regulations, and (iv) allows the chair of the MDPU to issue operational and management directives during an emergency. The bill also authorizes the Massachusetts Attorney General to bring a court action for receivership of a small investor-owned utility where an emergency exists and the utility has materially violated the MDPU's standards for responding to emergencies. On February 2, 2010, the MDPU issued an order adopting regulations concerning the items required by House Bill 4329. Fitchburg has complied with the requirements concerning the filing of its emergency response plans and has met with MDPU Staff to review them. On July 30, 2010, the MDPU approved Fitchburg's electric and gas Emergency Response Plans.

Fitchburg – Gas Operations – On November 2, 2009 the MDPU issued an order finding that Fitchburg engaged in certain price stabilization practices for the 2007 / 2008 and 2008 / 2009 heating seasons without the MDPU's prior approval and that Fitchburg's gas purchasing practices were imprudent. As a result, the MDPU required Fitchburg to refund $4.6 million of natural gas costs, plus an appropriate carrying charge based on the prime lending rate, to its gas customers. The Company recorded a pre-tax charge of $4.9 million in the fourth quarter of 2009 based on the MDPU's order. On November 30, 2009, the MDPU approved Fitchburg's proposal to amortize its refund of natural gas costs to customers over a five-year period. Fitchburg has appealed the gas procurement order to the Massachusetts Supreme Judicial Court. Fitchburg believes that its gas-procurement practices were consistent with those of other Massachusetts natural gas distribution companies and all relevant MDPU rules and orders and Massachusetts law. This appeal remains pending before the Massachusetts Supreme Judicial Court. Immediately after the MDPU opened its investigation of this matter in March 2009, Fitchburg ceased making the gas procurement purchases in question and filed a request with the MDPU for approval of a gas procurement plan for future gas purchases. This matter remains pending before the MDPU.

Fitchburg – Other – On July 16, 2008, the MDPU issued an order establishing a comprehensive plan for Revenue Decoupling to be adopted by gas and electric distribution utilities on a going-forward basis, through company-specific rate cases. Revenue decoupling is generally defined as a ratemaking mechanism designed to eliminate or reduce the dependence of a utility's distribution revenues on sales, and is intended to remove the disincentive a utility has to promote efforts to reduce energy consumption by its customers or to facilitate installation of distributed generation to displace electricity delivered by the utility. It is anticipated that, with limited exceptions, all distribution companies will be operating under decoupling plans by year-end 2012.

On February 11, 2009, the Massachusetts Supreme Judicial Court (SJC) issued its decision in the Attorney General's (AG) appeal of the MDPU orders relating to Fitchburg's recovery of bad debt expense. The SJC agreed with the AG that the MDPU was required to hold hearings regarding changes in Fitchburg's tariff and rates, and on that basis vacated the MDPU orders. The Court, however, declined to

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rule on an appropriate remedy, and remanded the cases back to the MDPU for consideration of that issue. This matter remains pending before the MDPU.

On July 2, 2008, the Governor of Massachusetts signed into law "The Green Communities Act" (the GC Act), an energy policy statute designed to substantially increase energy efficiency and the development of renewable energy resources in Massachusetts. The GC Act provides for utilities to recover in rates the incremental costs associated with its various mandated programs. Several regulatory proceedings have been initiated to implement various provisions of the GC Act, including provisions for each distribution company to file enhanced three year energy efficiency investment plans, plans to establish smart grid pilot programs, proposals to purchase long-term contracts for renewable energy, special tariffs to allow the net metering of customer-owned renewable generation, and terms and conditions for purchasing supplier receivables. Three year energy efficiency investment plans, plans to establish smart grid pilot programs, and net metering tariffs have been approved by the MDPU. Proposals to purchase long-term contracts for renewable energy and terms and conditions for purchasing supplier receivables are under review in a separately designated docket.

On March 1, 2010, Fitchburg submitted its annual filing to the MDPU of the 2009 Service Quality Reports for its gas division. On October 20, 2010, the MDPU issued its Order on the 2009 Service Quality Reports of the Massachusetts local gas distribution utilities and noted that Fitchburg met or exceeded its established benchmarks in all Service Quality penalty measures. Fitchburg's Service Quality performance was consistent with the MDPU's Service Quality Guidelines and Fitchburg's respective Service Quality plan.

Unitil Energy – Other – In July 2008, the State of New Hampshire enacted legislation that allows electric utilities to make investments in distributed energy resources, including energy efficiency and demand reduction technologies, as well as clean cogeneration and renewable generation. On August 5, 2009 Unitil Energy filed a plan for approval of investment in and rate recovery for Distributed Energy Resources. An order approving a settlement agreement for a time-of-use pilot program was issued on February 26, 2010. On June 11, 2010, the NHPUC issued an order on the remaining two proposed projects and cost recovery. The NHPUC denied one of the two projects, citing that the costs outweighed the benefits but found the other project to be in the public interest. Unitil Energy plans to file adjustments to base distribution rates to collect actual costs associated with authorized DER projects.

On February 25, 2010, a significant wind storm struck portions of the New England region, causing extensive damage to electric facilities and loss of service to significant numbers of customers of several utilities. An estimated one million electric customers in the region were affected, including approximately 85% of the Company's customers. Unitil Energy was able to restore power to 96% percent of its customers by day three, and its final customers, including those with individual service problems, were restored by day four. The Company spent approximately $7.3 million for the repair and replacement of electric distribution systems damaged during the storm, including $1.3 million related to capital construction and $6.0 million which has been deferred as a regulatory asset. Unitil Energy, in its base rate case filing discussed above, has requested recovery in rates for the costs associated with the emergency repair of its electric distribution system for damage caused by this storm. The amount and timing of the cost recovery of the storm restoration expenditures will be determined in the base rate case proceeding. The Company does not believe these storm restoration expenditures and the timing of cost recovery will have a material adverse impact on the Company's financial condition or results of operations. However, if it were ultimately determined that certain of these costs were not recoverable in rates, and/or the Company were required to incur additional costs to defend itself, there may be a significant impact on the Company's results of operations in future periods.

On June 17, 2010, Unitil Energy made its annual reconciliation and rate filing with the NHPUC under its restructuring plan, for rates effective August 1, 2010, including reconciliation of prior year costs and revenues. On July 30, 2010, the NHPUC approved the rate filing and reconciliation.

Northern Utilities – On November 21, 2008, the MPUC issued an order approving a settlement agreement resolving a number of Notices of Probable Violation ("NOPVs") of certain safety related procedures and rules by Northern Utilities. Under the Settlement, Northern Utilities will incur total

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expenditures of approximately $3.8 million for safety related improvements to Northern's distribution system to ensure compliance with the relevant state and federal gas safety laws, for which no rate recovery will be allowed. These compliance costs were accrued by Northern Utilities prior to the acquisition date and the remaining amount on the Company's balance sheet at September 30, 2010 was $0.7 million.

On June 27, 2008 the MPUC opened an investigation of Northern Utilities' cast iron pipe replacement activities and the benefits of an accelerated replacement program for cast iron distribution pipe remaining in portions of Northern Utilities' Maine service areas. An Agreement resolving this matter, filed on behalf of Northern Utilities, the Maine Office of the Public Advocate, and several state legislator intervenors, was filed with the MPUC on July 6, 2010. Under the Agreement, Northern Utilities will proceed with a comprehensive upgrade and replacement program (the "Program"), which will provide for the systematic replacement of cast iron, wrought iron and bare steel pipe in Northern Utilities' natural gas distribution system in Portland and Westbrook, Maine and the conversion of the system to intermediate pressure. The Agreement establishes the objective of completing the Program by the end of the 2024 construction season. Under the Agreement, the parties agreed to support a cost recovery mechanism that will provide for the timely recovery of prudently-incurred costs of the Program. The features of this cost recovery mechanism will be finalized during Northern Utilities' next base rate case proceeding, which is anticipated to be filed in early 2011. On July 30, 2010, the MPUC issued its Final Order approving the Settlement Agreement.

Granite State Gas Transmission, Inc. – Base Rate Case Filing – On June 29, 2010, Granite filed a base transportation rate increase which would provide for an initial increase of approximately $2.3 million in annual revenue with the FERC. This represents Granite's first filing for a rate change since its last general rate case in 1997. The effect of this initial rate increase would result in an approximate increase of two percent in the total annual bill to an average residential natural gas heating customer served by Northern Utilities. In addition to its request for new base transportation rates, Granite is seeking FERC approval to implement a capital cost surcharge that would allow Granite to implement a rate surcharge annually to recover certain projected capital expenditures in future periods. On July 30, 2010, the FERC ordered the rate increase to be effective on January 1, 2011, subject to refund and hearing and settlement procedures that are in progress.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED MORE FULLY IN NOTE 7 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2009 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 10, 2010.

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company believes it is in compliance with applicable environmental and safety laws and regulations, and the Company believes that as of September 30, 2010, there were no material losses reasonably likely to be incurred in excess of recorded amounts. However, there can be no assurance that significant costs and liabilities will not be incurred in the future. It is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations could result in increased environmental compliance costs.

Included in Environmental Obligations on the Company's Consolidated Balance Sheet at September 30, 2010 are accrued liabilities totaling $12.0 million related to estimated future clean up costs for permanent remediation of a former manufactured gas plant (MGP) site at Sawyer Passway, located in Fitchburg, Massachusetts. The amounts recorded do not assume any amounts are recoverable from insurance companies or other third parties. Also included in Environmental Obligations on the Company's Consolidated Balance Sheet at September 30, 2010 are accrued liabilities totaling $2.3 million associated with Northern Utilities' environmental remediation obligations for former MGP sites. In addition to the amounts noted above, there are $0.2 million of accrued liabilities in Other Current Liabilities on the Company's Consolidated Balance Sheet at September 30, 2010 associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were

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recorded to reflect that the future recovery of these environmental remediation costs is expected based on regulatory precedent and established practices.

NOTE 8: INCOME TAXES

The Company bills its customers sales tax in Massachusetts and Maine and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's Consolidated Statements of Earnings.

The Company evaluated its tax positions at December 31, 2009 and for the current interim reporting period ended September 30, 2010 in accordance with the FASB Codification, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any unrecognized tax liabilities or assets as defined by the FASB Codification is required. The Company does not have any unrecognized tax positions for which it is reasonably possible that the total amounts recognized will significantly change within the next 12 months. The Company classifies penalty and interest expense related to income tax liabilities as an income tax expense. There are no material interest and penalties recognized in the statement of earnings or accrued on the balance sheet.

During the third quarter of 2010, the Company changed its method of tax accounting for certain construction-related costs previously capitalized as depreciable assets, to accounting for those expenditures as repairs expense deductions under Sections 162 and 263(a) of the Internal Revenue Code. In applying the new tax accounting method, certain costs which were previously capitalized and recognized as depreciation deductions over various useful lives for tax accounting purposes are now to be deducted in the year incurred. The Company applied the change retroactively for additional deductions of $20.4 million related to the tax accounting method change in its 2009 federal and state returns.

The Company remains subject to examination by Federal, Massachusetts and New Hampshire tax authorities for the tax periods ended December 31, 2006; December 31, 2007; and December 31, 2008. Income tax filings for the year ended December 31, 2009 were filed with the Internal Revenue Service (IRS) in September 2010. In its Federal Income Tax return filings for the year ended December 31, 2008, the Company recognized net operating loss (NOL) carrybacks against its Federal Income Tax returns for the years ended December 31, 2006 and 2007 in the amounts of $5.0 million and $6.7 million, respectively. These NOL carrybacks resulted in a refund to the Company of $4.0 million which was received in November 2009. According to Internal Revenue Code rules, NOL refunds in excess of $2.0 million fall under the jurisdiction of the Joint Committee of Congress (Joint Committee) and are subject to review by the IRS and attorneys of the Joint Committee. As a result, on December 30, 2009, the Company received notice that its Federal Income Tax return filings for the years ended December 31, 2006, December 31, 2007, and December 31, 2008 are under examination by the IRS. The IRS is currently performing fieldwork as part of their audit procedures. Currently, the Company believes that the ultimate resolution of this examination will not result in a material adverse effect to the Company's financial position or results of operations.

NOTE 9: RETIREMENT BENEFIT OBLIGATIONS

The Company co-sponsors the Unitil Corporation Retirement Plan (Pension Plan), the Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan), and the Unitil Corporation Supplemental Executive Retirement Plan (SERP) to provide certain pension and postretirement benefits for its retirees and current employees. Please see Note 9 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2009 as filed with the SEC on February 10, 2010 for additional information regarding these plans.

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The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2010	2009
Used to Determine Plan Costs		
Discount Rate	**5.75%**	6.25%
Rate of Compensation Increase	**3.50%**	3.50%
Expected Long-term rate of return on plan assets	**8.50%**	8.50%
Health Care Cost Trend Rate Assumed for Next Year	**7.50%**	8.00%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2017**	2017

The following tables provide the components of the Company's Retirement plan costs ($000's):

	Pension Plan		PBOP Plan		SERP	
Three Months Ended September 30,	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Service Cost	**$ 653**	$ 571	**$ 366**	$ 357	**$ 71**	$ 54
Interest Cost	**1,114**	1,073	**504**	578	**56**	46
Expected Return on Plan Assets	**(1,045)**	(1,108)	**(150)**	(89)	**—**	—
Prior Service Cost Amortization	**63**	66	**395**	428	**—**	—
Transition Obligation Amortization	**—**	—	**5**	5	**—**	—
Actuarial Loss Amortization	**601**	399	**—**	—	**34**	17
Sub-total	**1,386**	1,001	**1,120**	1,279	**161**	117
Amounts Capitalized and Deferred	**(522)**	(388)	**(231)**	(486)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 864**	$ 613	**$ 889**	$ 793	**$ 161**	$ 117

	Pension Plan		PBOP Plan		SERP	
Nine Months Ended September 30,	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Service Cost	**$ 1,957**	$ 1,713	**$ 1,099**	$ 1,071	**$ 213**	$ 162
Interest Cost	**3,343**	3,220	**1,512**	1,735	**170**	136
Expected Return on Plan Assets	**(3,136)**	(3,324)	**(449)**	(267)	**—**	—
Prior Service Cost Amortization	**190**	198	**1,184**	1,284	**2**	(1)
Transition Obligation Amortization	**—**	—	**16**	15	**—**	—
Actuarial Loss Amortization	**1,804**	1,197	**—**	—	**100**	53
Sub-total	**4,158**	3,004	**3,362**	3,838	**485**	350
Amounts Capitalized and Deferred	**(1,625)**	(1,034)	**(818)**	(1,286)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 2,533**	$ 1,970	**$ 2,544**	$ 2,552	**$ 485**	$ 350

Employer Contributions

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. Included in the PPA were new minimum funding rules which went into effect for plan years beginning in 2008. The funding target was 100% of a plan's liability (as determined under the PPA) with any shortfall amortized over

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seven years, with lower (92%—100%) funding targets available to well-funded plans during the transition period. Due to the significant declines in the valuation of capital markets during 2008, the Worker, Retiree, and Employer Recovery Act of 2008 (Recovery Act) was signed into law on December 23, 2008. Included in the Recovery Act are temporary modifications to the minimum funding rules set forth in the PPA such that all plans, except those that were subject to deficit reduction contribution requirements in 2007, are allowed to amortize any shortfall from the lower funding targets, rather than the 100% target, for the 2008—2010 plan years. This did not affect the Company's Pension Plan in 2009 as its Pension Plan was 94% funded under the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as of January 1, 2008 and met the exemption from the shortfall amortization. As of September 30, 2010, the Company had made $3.7 million of contributions to the Pension Plan in 2010. The Company presently anticipates contributing an additional $0.6 million to fund its Pension Plan in 2010.

As of September 30, 2010, the Company had made $2.6 million and $40,000 of contributions to the PBOP and SERP Plans, respectively, in 2010. The Company presently anticipates contributing an additional $0.9 million and $13,000 to the PBOP and SERP Plans, respectively, in 2010.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Market Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

Management of the Company, under the supervision and with the participation of the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2010. Based upon this evaluation, the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded as of September 30, 2010 that the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) are effective.

There have been no changes in the Company's internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f) during the fiscal quarter covered by this Form 10-Q that have affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2009 as filed with the SEC on February 10, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered equity securities by the Company for the fiscal period ended September 30, 2010.

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), adopted by the Company on March 25, 2010, the Company will periodically repurchase shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer. There is no pool or maximum number of

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shares related to these purchases; however, the trading plan will automatically terminate when $80,700 in value of shares have been purchased, or, if sooner, on March 25, 2011.

The Company may suspend or terminate this trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws.

The Company's repurchases are shown in the table below for the monthly periods noted:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
7/1/10 – 7/31/10	—	—	—
8/1/10 – 8/31/10	—	—	—
9/1/10 – 9/30/10	218	$ 21.50	218
Total	218	$ 21.50	218

Item 5. Other Information

On October 25, 2010, the Company issued a press release announcing its results of operations for the three- and nine-month periods ended September 30, 2010. The press release is furnished with this Quarterly Report on Form 10-Q as Exhibit 99.1.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
11	Computation in Support of Earnings Per Weighted Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated October 25, 2010 Announcing Earnings For the Quarter Ended September 30, 2010.	Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	UNITIL CORPORATION (Registrant)
Date: October 26, 2010	/s/ Mark H. Collin Mark H. Collin Chief Financial Officer
Date: October 26, 2010	/s/ Laurence M. Brock Laurence M. Brock Chief Accounting Officer

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EXHIBIT INDEX

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32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated October 25, 2010 Announcing Earnings For the Quarter Ended September 30, 2010.	Filed herewith

EXHIBIT 11

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER WEIGHTED AVERAGE COMMON SHARE OUTSTANDING
(Millions except common shares and per share data)
(UNAUDITED)

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Net Income (Loss)	**$ (0.1)**	**$ (0.6)**	**$ 4.4**	$ 8.8
Less: Dividend Requirements on Preferred Stock	**—**	**—**	**0.1**	0.1
Net Income Applicable to Common Stock	**$ (0.1)**	**$ (0.6)**	**$ 4.3**	$ 8.7
Weighted Average Number of Common Shares Outstanding – Basic (000's)	**10,830**	**10,767**	**10,817**	9,267
Dilutive Effect of Stock Options and Restricted Stock (000's)	**—**	**—**	**1**	—
Weighted Average Number of Common Shares Outstanding – Diluted (000's)	**10,830**	**10,767**	**10,818**	9,267
Earnings Per Share – Basic and Diluted	**$ (0.01)**	**$ (0.06)**	**$ 0.40**	$ 0.94

Weighted average options to purchase 33,000 and 66,500 shares of common stock were outstanding during the three month periods ended September 30, 2010 and September 30, 2009, respectively, but were not included in the computation of Weighted Average Common Shares Outstanding for purposes of computing diluted earnings per share, because the effect would have been antidilutive. Also, 5,460 and 12,250 weighted average non-vested restricted shares for the three month periods ended September 30, 2010 and September 30, 2009, respectively were not included in the above computation because the effect would have been antidilutive. Additionally, 28,148 and 23,888 weighted average non-vested restricted shares for the three month periods ended September 30, 2010 and September 30, 2009, respectively were not included in the above computation because the Company was in a net loss position for those periods.

Weighted average options to purchase 33,000 and 66,500 shares of common stock were outstanding during the nine month periods ended September 30, 2010 and September 30, 2009, respectively, but were not included in the computation of Weighted Average Common Shares Outstanding for purposes of computing diluted earnings per share, because the effect would have been antidilutive. Additionally, 6,867 and 35,302 weighted average non-vested restricted shares for the nine month periods ended September 30, 2010 and September 30, 2009, respectively were not included in the above computation because the effect would have been antidilutive.

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2010
/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2010
/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2010
/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	October 26, 2010
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	October 26, 2010
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	October 26, 2010

Exhibit 99.1

Contact: David Chong – Investor Relations
Phone: 603-773-6499
Email: chong@unitil.com
Alec O'Meara – Media Relations
Phone: 603-773-6404
Email: omeara@unitil.com

Unitil Reports Third Quarter Results

Hampton, NH – October 25, 2010: Unitil Corporation ("Company") (NYSE: UTL) (www.unitil.com) today announced a net loss of ($0.1) million for the third quarter of 2010, an improvement of $0.5 million compared to the third quarter of 2009. For the nine months ended September 30, 2010, the Company reported net income of $4.3 million compared to $8.7 million for the same period of 2009. Results for the third quarter were driven primarily by higher electric sales margins reflecting favorable summer weather and higher rates, partially offset by increases in operating and interest costs.

Earnings (loss) per common share (EPS) were ($0.01) and $0.40 for the three and nine month periods ended September 30, 2010 compared with ($0.06) and $0.94 for the same periods of 2009. The Company's EPS for 2010 are not directly comparable with 2009 due to the issuance of 5.0 million common shares between December 2008 and June 2009 to complete the financing of the Company's acquisition of Northern Utilities Inc. (Northern Utilities) and Granite State Gas Transmission, Inc. (Granite), the ("Acquisition").

"We continue to make good progress on our regulatory agenda with a target of completing a reset of rates in each of our regulatory jurisdictions within the next twelve months," said Bob Schoenberger, Unitil's Chairman and Chief Executive Officer. "We are also pleased to see a rebound in electric sales and margin in the quarter due to favorable summer weather and an uptick in overall economic activity."

Natural gas sales margin was unchanged in the third quarter of 2010 compared to the same period in 2009. For the nine month period ended September 30, 2010, gas sales margin was $3.8 million lower compared to the same period in 2009. Total natural gas therm sales were 2.7% and 5.5% lower in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. Lower gas therm sales in the Company's utility service territories reflect the effect of milder winter temperatures earlier in 2010, where there were approximately 13% fewer Heating Degree Days in the nine month period, compared to the prior year.

Electric sales margin increased $2.4 million and $2.5 million in the three and nine months ended September 30, 2010 compared to the same periods in 2009, reflecting higher electric kilowatt-hour (kWh) sales and an electric rate increase implemented in July 2010 for the Company's New Hampshire electric distribution utility. Total kWh sales increased 11.1% and 4.9% in the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009 reflecting increased sales to all customer groups. The increased sales reflect above average summer temperatures in the Company's utility service territories in 2010. According to ISO-New England, the grid operator for the New England region, July was the second-hottest July in New England since 1960 and New England's all-time electricity consumption for one month was recorded in that month.

The Company filed two base rate cases in the second quarter of 2010, one for its New Hampshire electric distribution utility, Unitil Energy Systems, Inc. (Unitil Energy) and one for its interstate natural gas transmission pipeline subsidiary, Granite. The New Hampshire Public Utilities Commission (NHPUC) has approved a temporary rate increase of $5.2 million on an annual basis, including recovery of 2008 ice storm costs, for Unitil Energy effective July 1, 2010. The Company expects the NHPUC to issue its final decision in this rate proceeding in the first quarter of 2011. On June 29, 2010 Granite filed a rate proposal with the Federal Energy Regulatory

Commission for an initial annual increase in revenues of approximately $2.3 million. Granite's initial proposed rate increase is effective January 1, 2011, subject to refund and the outcome of hearing and settlement procedures that are in progress. Additionally, the Company's two other distribution utilities, Fitchburg Gas and Electric Light Company and Northern Utilities, are currently preparing base rate cases and anticipate completing them with their respective state regulatory commissions within the next twelve months.

Selected Financial Data for 2010 and 2009 is presented in the following table:

Unitil Corporation – Condensed Consolidated Financial Data

(Millions, except Per Share data)(Unaudited)

	Three Months Ended Sept. 30,			Nine Months Ended Sept. 30,		
	2010	**2009**	**Change**	**2010**	**2009**	**Change**
Gas Therm Sales:						
Residential	2.5	2.9	(13.8%)	26.9	29.1	(7.6%)
Commercial/Industrial	19.3	19.5	(1.0%)	100.9	106.1	(4.9%)
Total Gas Therm Sales	**21.8**	**22.4**	**(2.7%)**	**127.8**	**135.2**	**(5.5%)**
Electric kWh Sales:						
Residential	198.7	172.1	15.5%	524.7	493.8	6.3%
Commercial/Industrial	284.6	263.0	8.2%	767.9	738.3	4.0%
Total Electric kWh Sales	**483.3**	**435.1**	**11.1%**	**1,292.6**	**1,232.1**	**4.9%**
Gas Revenues	$ 17.4	$ 15.2	$ 2.2	$ 102.2	$ 111.0	$ (8.8)
Purchased Gas	9.5	7.3	2.2	63.7	68.7	(5.0)
Gas Sales Margin	**7.9**	**7.9**	**—**	**38.5**	**42.3**	**(3.8)**
Electric Revenues	57.5	54.2	3.3	154.9	163.3	(8.4)
Purchased Electricity	40.6	39.7	0.9	110.7	121.6	(10.9)
Electric Sales Margin	**16.9**	**14.5**	**2.4**	**44.2**	**41.7**	**2.5**
Usource Sales Margin	**1.2**	**1.0**	**0.2**	**3.4**	**3.2**	**0.2**
Total Sales Margin:	**26.0**	**23.4**	**2.6**	**86.1**	**87.2**	**(1.1)**
Operation & Maintenance Expenses	13.1	12.0	1.1	36.9	34.4	2.5
Depreciation, Amortization, Taxes & Other	8.3	8.0	0.3	31.4	31.6	(0.2)
Interest Expense, Net	4.7	4.0	0.7	13.5	12.5	1.0
Earnings (Loss) Applicable to Common Shareholders:	**$ (0.1)**	**$ (0.6)**	**$ 0.5**	**$ 4.3**	**$ 8.7**	**$ (4.4)**
Earnings (Loss) Per Share	**$ (0.01)**	**$ (0.06)**	**$ 0.05**	**$ 0.40**	**$ 0.94**	**$ (0.54)**

Operation and Maintenance (O&M) expenses increased $1.1 million and $2.5 million for the three and nine months ended September 30, 2010, respectively, compared to 2009. The changes in O&M expenses reflect higher utility operating costs and professional fees. O&M expenses reflect the full integration of Northern Utilities and Granite into the Company's consolidated operating results.

Depreciation and Amortization expense decreased $0.4 million and increased $1.1 million in the three and nine months ended September 30, 2010, respectively, compared to the same periods in 2009, reflecting higher depreciation on normal utility plant additions partially offset by lower amortization expense in the current year.

Interest Expense, Net increased $0.7 million and $1.0 million in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009. In March 2010, Unitil Energy and Northern Utilities collectively issued $40 million of long-term debt which is contributing to the higher interest expense in the three and nine month periods.

Federal and State Income Taxes decreased by $2.1 million for the nine month period due to lower pre-tax income in 2010 compared to 2009.

All other expenses increased $0.3 million and $0.8 million in the three and nine month periods ended September 30, 2010, respectively, compared to the same periods in 2009, primarily reflecting higher property and payroll taxes.

In the third quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of $0.345 per share. This quarterly dividend results in a current effective annual dividend rate of $1.38 per share representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

EPS for the nine months ended September 30, 2010 reflect a higher number of average shares outstanding year over year. Between December 2008 and June 2009 the Company issued 5.0 million common shares to complete the Acquisition. As a result of the Acquisition and the issuance of new common shares, consolidated results for the Company in the current period may not be directly comparable to prior period results until such time as the Acquisition and stock issuance is fully reflected in both reporting periods. Additionally, the Company's results are expected to reflect the seasonal nature of the acquired natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

The Company will hold a quarterly conference call to discuss third quarter 2010 results on Monday, October 25, 2010 at 5:30 p.m. Eastern Time. This call is being webcast by Thomson Financial and can be accessed in the Investor Relations section of Unitil Corporation's website, www.unitil.com.

About Unitil

Unitil provides for the necessities of life, safely and reliably delivering natural gas and electricity throughout northern New England. We are committed to the communities we serve and to developing people, business practices, and technologies that lead to dependable, more efficient energy. Unitil is a public utility holding company with affiliates that include Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Northern Utilities, Inc., and Granite State Gas Transmission, Inc. Together, Unitil's operating utilities serve approximately 100,500 electric customers and 70,000 natural gas customers. Other subsidiaries include Unitil Service Corp. and Usource, Unitil's non-regulated business segment. For more information about our people, technologies, and community involvement please visit www.unitil.com.

This press release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. All statements, other than statements of historical fact, are forward-looking statements. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to the following: variations in weather; changes in the regulatory environment; customers' preferences on energy sources; general economic conditions; increased competition; fluctuations in supply, demand, transmission capacity and prices for energy commodities; and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of Unitil Corporation.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.20) Quarterly sales volumes for the previous 5 years, itemized for residential and other classifications of service.

Response:

This is not applicable to Unitil Corporation.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.21) A description of the utility's projected need for external capital for the 2 year period immediately following the test year.

Response:

Unitil Corporation plans to continue to issue common stock through its Dividend Reinvestment Plan and other stock plans as filed with the Securities and Exchange Commission. At this time, Unitil Corporation does not have any definitive plans in the next two years to do a long-term financing at the parent level, including public common stock, preferred stock or long-term debt.

Unitil Corporation currently has a $60 million bank credit facility for its short-term debt requirements. Unitil Corporation utilizes and manages its short-term bank credit facility on a daily basis to meet the obligations of the Unitil Corporation Cash Pool. Unitil Corporation and its subsidiaries are individually and collectively members of the Cash Pool, which is the financing vehicle for day-to-day cash borrowing and investing. Unitil Corporation may increase or decrease the size of the bank credit facility in the next two years to manage the cash requirements of its subsidiaries.

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with PUC 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.22) The utility's capital budget with a statement of the source and uses of funds for the 2 years immediately subsequent to the test year;

Response:

Please see PUC 1604.01 (a) 25.22 - Attachment 1 - Confidential for projected sources and uses of funds for Unitil Corporation for the years 2013 and 2014.

REDACTED

Unitil Corporation Consolidated (Includes Subsidiaries)
Sources and Uses of Funds for Years 2013 and 2014
Including the Projected Construction Budgets
($000)

See Volume 4 of 4 for Puc 1604.01(a) 25.22 - Attachment 1 CONFIDENTIAL

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with PUC 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.23) The provisions of any sinking funds associated with senior capital and a description of the rate at which any respective issues of senior capital will be retired, consistent with such sinking fund(s).

Response:

Please see attached for Unitil Corporation's debt maturity schedule.
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Unitil Corporation
Debt Maturity Schedule

Year	6.33% Due 5/1/2022 Bullet	UC Total
2012	-	-
2013	-	-
2014	-	-
2015	-	-
2016	-	-
2017	-	-
2018	-	-
2019	-	-
2020	-	-
2021	-	-
2022	$ 20,000,000	$ 20,000,000
2023	-	-
2024	-	-
2025	-	-
2026	-	-
2027	-	-
2028	-	-
2029	-	-
2030	-	-
2031	-	-
2032	-	-
2033	-	-
2034	-	-
2035	-	-
2036	-	-
2037	-	-
2038	-	-
2039	-	-
2040	-	-
Total	$ 20,000,000	$ 20,000,000

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with PUC 1604.01(a), please provide:

(25) If a utility is a subsidiary, duplicates of all items required by this section for the parent company except as provided in (26) below;

(25.24) If the short-term debt component of total invested capital is volatile, the amount outstanding, on a monthly basis, during the test year, for each short-term indebtedness.

Response:

Please refer to the attached schedule, showing Unitil Corporation's end of month balance and average daily balance of short-term debt outstanding for each month during the test year.

Unitil Corporation
Short-Term Debt Outstanding
12 Months Ended December 31, 2012

Line No.	Month	Month-End Amount Outstanding	Average Daily Borrowings
1	January 2012	$ 82,595,000	$ 86,299,839
2	February 2012	82,675,000	81,825,345
3	March 2012	77,615,000	76,918,871
4	April 2012	68,460,000	69,499,500
5	May 2012	-	32,018,387
6	June 2012	5,030,000	1,284,167
7	July 2012	3,640,000	2,275,484
8	August 2012	14,365,000	8,422,097
9	September 2012	24,085,000	18,050,333
10	October 2012	25,010,000	22,511,613
11	November 2012	36,695,000	28,839,500
12	December 2012	49,375,000	42,215,806

Northern Utilities, Inc.
DE 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(26) As to a subsidiary as referred to in (25) above, in lieu of duplicate copies of documentation required by Puc 1604.01(a)(5), (6), (11), (16), and (17), a certificate of an appropriate official of the subsidiary detailing any expense of the parent company which was included in the subsidiary's cost of service;

(5) Detailed list of charitable contributions charged in the test year showing donee and the amount according to the following guidelines:

a. If the utility's annual gross revenues are less than $100,000, all contributions shall be reported;

b. If the utility's annual gross revenues are $100,000 or are between $100,000 and $10,000,000, all contributions of $1,000 and more shall be reported;

c. If the utility's annual gross revenues are $10,000,000 or are between $10,000,000 and $100,000,000, all contributions of $2,500 and more shall be reported;

d. If the utility's annual gross revenues are $100,000,000 or are in excess of $100,000,000, all contributions of $5,000 and more shall be reported; and

e. For utilities in categories b., c. and d. above, the reporting thresholds for a particular charity shall be on a cumulative basis, indicating the number of items comprising the total amount of contribution;

(6) List of advertising charged in the test year above the line showing expenditure by media and by subject matter according to the following guidelines:

a. If the utility's annual gross revenues are less than $100,000, all expenditures shall be reported;

b. If the utility's annual gross revenues are $100,000 or are between $100,000 and $10,000,000, all expenditures of $1,000 and more shall be reported;

c. If the utility's annual gross revenues are $10,000,000 or are between $10,000,000 and $100,000,000, all expenditures of $2,500 and more shall be reported; and

Northern Utilities, Inc.
DE 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

d. If the utility's annual gross revenues are $100,000,000 or are in excess of $100,000,000, all expenditures of $5,000 and more shall be reported;

(11) Detailed list of all membership fees, dues, donations for the test year charged above the line showing the trade, technical, and professional associations and organizations and amount according to the following guidelines:

a. If the utility's annual gross revenues are less than $100,000, all membership fees, dues and donations shall be reported;
b. If the utility's annual gross revenues are $100,000 or are between $100,000 and $10,000,000, all membership fees, dues and donations of $1,000 and more shall be reported;
c. If the utility's annual gross revenues are $10,000,000 or are between $10,000,000 and $100,000,000, all membership fees, dues and donations of $2,500 and more shall be reported; and
d. If the utility's annual gross revenues are $100,000,000 or are in excess of $100,000,000, all membership fees, dues and donations of $5,000 and more shall be reported;

(16) A list of all payments to individuals or corporations for contractual services in the test year with a description of the purpose of the contractual services, as follows:

a. For utilities with less than $100,000 in annual gross revenues, a list of all payments in excess of $1,000;
b. for utilities with annual gross revenues of $100,000 or between $100,000 and $10,000,000, a list of all payments in excess of $10,000;
c. For utilities with annual gross revenues of $10,000,000 or between $10,000,000 and $100,000,000, a list of all payments in excess of $50,000;
d. For utilities with annual gross revenues of $100,000,000 or in excess of $100,000,000, a list of all payments in excess of $100,000; and
e. For utilities in categories b., c. and d. above, the reporting thresholds for a particular entity shall be on a cumulative basis,

Northern Utilities, Inc.
DE 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

indicating the number of items comprising the total amount of expenditure;

(17) For non-utility operations, the amount of assets and costs allocated thereto and justification for such allocations;

Response:

Please see attached Certificate.

Northern Utilities, Inc.

Pursuant to the New Hampshire Code of Administrative Rules, Part 1604.01 (a)(26), Northern Utilities, Inc., hereby certifies the following:

With respect to the data required by Part 1604.01(a) (5), (6), (11), (16) and (17), no expense of the nature defined therein for the parent company (Unitil Corporation) is included in the cost of service for Northern Utilities, Inc., as filed in this case.

Laurence M. Brock

Laurence M. Brock
Controller and CAO,
Northern Utilities, Inc.

State of New Hampshire
County of Rockingham, ss.

Signed and sworn this

27 day of February, 2013

Robert A. LaBelle
Notary Public

ROBERT A. LaBELLE
Notary Public - New Hampshire
My Commission Expires April 28, 2015

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(27) For gas utilities, as defined in Puc 500, and for electric utilities, as defined in Puc 300, the uniform statistical report to the American Gas Association-Edison Electric Institute for the last 2 years; and

Response:

Northern Utilities, Inc. has not completed / provided any uniform statistical reports to the American Gas Association - Edison Electric Institute. However, Northern Utilities does file with the Pipeline Hazardous Materials Safety Administration ("PHMSA") the Form PHMSA F 7100.1-1 annual report that does provide statistical data on the Northern Utilities distribution system.

Please see the following attached reports:

- Attachment 1, Form PHMSA F 7100.1-1, 2012
- Attachment 2, Form PHMSA F 7100.1-1, 2011

OMB NO: 2137-0522
EXPIRATION DATE: 01/31/2014

U.S Department of Transportation
Pipeline and Hazardous Materials Safety Administration

Form Type:	INITIAL
Date Submitted:	3/14/2013
(DOT use only)	20130910-18098

ANNUAL REPORT FOR CALENDAR YEAR 2012 GAS DISTRIBUTION SYSTEM

PART A - OPERATOR INFORMATION

1. Name of Operator	NORTHERN UTILITIES, INC. (NH)
2. LOCATION OF OFFICE (WHERE ADDITIONAL INFORMATION MAY BE OBTAINED)	
2a. Street Address	325 WEST RD
2b. City and County	PORTSMOUTH,ROCKINGHAM
2c. State	NH
2d. Zip Code	03801
3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER	13800
4. HEADQUARTERS NAME & ADDRESS	
4a. Street Address	325 WEST ROAD
4b. City and County	PORTSMOUTH
4c. State	NH
4d. Zip Code	03801
5. STATE IN WHICH SYSTEM OPERATES	NH

PART B - SYSTEM DESCRIPTION

1.GENERAL

	STEEL									
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED	DUCTILE IRON	COPPER	CAST/ WROUGHT IRON	PLASTIC	OTHER	TOTAL
MILES OF MAIN	22.370	1.910	0.000	82.460	0.000	0.000	6.240	394.650	0.160	507.790
N0. OF SERVICES	294.000	111.000	6.000	143.000	0.000	0.000	2.000	20882.000	47.000	21485.000

2.MILES OF MAINS IN SYSTEM AT END OF YEAR

MATERIAL	UNKNOWN	2' OR LESS	OVER 2' THRU 4'	OVER 4' THRU 8'	OVER 8' THRU 12'	OVER 12'	TOTAL
STEEL	0.010	20.310	30.340	55.380	0.700	0.000	106.740
DUCTILE IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COPPER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CAST/WROUGHT IRON	0.000	0.160	1.890	3.930	0.270	0.000	6.250
PLASTIC PVC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PE	0.000	199.640	102.690	92.120	0.200	0.000	394.650
PLASTIC ABS	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC OTHER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER	0.020	0.050	0.010	0.070	0.000	0.000	0.150
TOTAL	0.030	220.160	134.930	151.500	1.170	0.000	507.790

3.NUMBER OF SERVICES IN SYSTEM AT END OF YEAR

AVERAGE SERVICE LENGTH: 80

MATERIAL	UNKNOWN	1' OR LESS	OVER 1' THRU 2'	OVER 2' THRU 4'	OVER 4' THRU 8'	OVER 8'	TOTAL
STEEL	4.000	352.000	186.000	8.000	4.000	0.000	554.000
DUCTILE IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COPPER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CAST/WROUGHT IRON	0.000	1.000	1.000	0.000	0.000	0.000	2.000
PLASTIC PVC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PE	2.000	15431.000	5342.000	93.000	11.000	3.000	20882.000
PLASTIC ABS	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC OTHER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER	27.000	16.000	4.000	0.000	0.000	0.000	47.000
TOTAL	33.000	15800.000	5533.000	101.000	15.000	3.000	21485.000

4.MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION

	UNKNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2019	TOTAL
MILES OF MAIN	41.280	5.770	0.260	2.460	15.150	29.200	81.690	199.290	96.720	35.970	507.790
NUMBER OF SERVICES	0.000	59.000	8.000	259.000	41.000	945.000	3681.000	8679.000	5890.000	1923.000	21485.000

PART C - TOTAL LEAKS AND HAZARDOUS LEAKS ELIMINATED/REPAIRED DURING THE YEAR

CAUSE OF LEAK	MAINS		SERVICES	
	TOTAL	HAZARDOUS	TOTAL	HAZARDOUS
CORROSION	76	10	23	19
NATURAL FORCES	1	1	0	0
EXCAVATION DAMAGE	13	12	29	29
OTHER OUTSIDE FORCE DAMAGE	1	1	3	3
MATERIAL OR WELDS	2	1	6	3
EQUIPMENT	5	1	9	9
INCORRECT OPERATIONS	0	0	0	0
OTHER	38	4	23	18

NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR : **0**

PART D - EXCAVATION DAMAGE

NUMBER OF EXCAVATION DAMAGES: 42

NUMBER OF EXCAVATION TICKETS : 10387

PART E-EXCESS FLOW VALUE(EFV) DATA

NUMBER OF EFV'S INSTALLED THIS CALENDER YEAR ON SINGLE FAMILY RESIDENTIAL SERVICES: 640

ESTIMATED NUMBER OF EFV'S IN SYSTEM AT THE END OF YEAR: 2747

PART F - LEAKS ON FEDERAL LAND

TOTAL NUMBER OF LEAKS ON FEDERAL LAND REPAIRED OR SCHEDULED TO REPAIR: 0

PART G-PERCENT OF UNACCOUNTED FOR GAS

UNACCOUUNTED FOR GAS AS A PERCENT OF TOTAL INPUT FOR THE 12 MONTHS ENDING JUNE 30 OF THE REPORTING YEAR.

INPUT FOR YEAR ENDING 6/30: 2.45%

PART H - ADDITIONAL INFORMATION

PART I - PREPARER AND AUTHORIZED SIGNATURE

Leigh Willett,agent
(Preparer's Name and Title)

(603) 777-5509
(Area Code and Telephone Number)

willettl@unitil.com
(Preparer's email address)

(603) 777-5609
(Area Code and Facsimile Number)

NOTICE: This report is required by 49 CFR Part 191. Failure to report can result in a civil penalty not to exceed 100,000 for each violation for each day that such violation persists except that the maximum civil penalty shall not exceed $1,000,000 as provided in 49 USC 60122.	OMB NO: 2137-0522 EXPIRATION DATE: 01/31/2014

U.S Department of Transportation
Pipeline and Hazardous Materials Safety Administration

Form Type:	INITIAL
ID:	5709
(DOT use only)	20120474-15511

ANNUAL REPORT FOR CALENDAR YEAR 2011 GAS DISTRIBUTION SYSTEM

PART A - OPERATOR INFORMATION

1. Name of Operator	NORTHERN UTILITIES, INC. (NH)
2. LOCATION OF OFFICE (WHERE ADDITIONAL INFORMATION MAY BE OBTAINED)	
2a. Street Address	325 WEST RD
2b. City and County	PORTSMOUTH,ROCKINGHAM
2c. State	NH
2d. Zip Code	03801
3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER	13800
4. HEADQUARTERS NAME & ADDRESS	
4a. Street Address	325 WEST ROAD
4b. City and County	PORTSMOUTH
4c. State	NH
4d. Zip Code	03801
5. STATE IN WHICH SYSTEM OPERATES	NH

PART B - SYSTEM DESCRIPTION

1.GENERAL

	STEEL									
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	**COATED**	**BARE**	**COATED**	**PLASTIC**	**CAST/ WROUGHT IRON**	**DUCTILE IRON**	**COPPER**	**OTHER**	**TOTAL**
MILES OF MAIN	25.850	4.420	0.000	80.570	380.860	7.940	0.000	0.000	0.150	499.790
N0. OF SERVICES	360.000	127.000	7.000	148.000	20426.000	2.000	0.000	0.000	46.000	21116.000

2.MILES OF MAINS IN SYSTEM AT END OF YEAR

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"	TOTAL
STEEL	0.010	22.180	31.820	55.200	1.630	0.000	110.840
DUCTILE IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COPPER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CAST/WROUGHT IRON	0.000	0.170	3.130	4.340	0.300	0.000	7.940
PLASTIC PVC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PE	0.050	193.490	101.190	85.940	0.190	0.000	380.860
PLASTIC ABS	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER PLASTIC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER	0.020	0.050	0.010	0.070	0.000	0.000	0.150
TOTAL	0.080	215.890	136.150	145.550	2.120	0.000	499.790

3.NUMBER OF SERVICES IN SYSTEM AT END OF YEAR

AVERAGE SERVICE LENGTH: 79

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"	TOTAL
STEEL	5.000	380.000	246.000	7.000	4.000	0.000	642.000
DUCTILE IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COPPER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CAST/WROUGHT IRON	0.000	1.000	1.000	0.000	0.000	0.000	2.000
PLASTIC PVC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PE	2.000	15045.000	5274.000	93.000	9.000	3.000	20426.000
PLASTIC ABS	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER PLASTIC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER	35.000	7.000	4.000	0.000	0.000	0.000	46.000
TOTAL	42.000	15433.000	5525.000	100.000	13.000	3.000	21116.000

4.MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION

	UNKNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2019	TOTAL
MILES OF MAIN	45.050	7.480	0.980	2.620	16.500	29.520	80.560	201.050	96.730	19.300	499.790
NUMBER OF SERVICES	0.000	101.000	10.000	745.000	46.000	915.000	3696.000	8741.000	5866.000	996.000	21116.000

PART C - TOTAL LEAKS AND HAZARDOUS LEAKS ELIMINATED/REPAIRED DURING THE YEAR

CAUSE OF LEAK	MAINS		SERVICES	
	TOTAL	HAZARDOUS	TOTAL	HAZARDOUS
CORROSION	62	11	21	16
NATURAL FORCES	4	3	0	0
EXCAVATION DAMAGE	7	7	18	18
OTHER OUTSIDE FORCE DAMAGE	0	0	0	0
MATERIAL OR WELDS	1	1	4	1
EQUIPMENT	3	1	6	4
INCORRECT OPERATIONS	0	0	0	0
OTHER	33	3	44	36

NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR : **0**

PART D - EXCAVATION DAMAGE

NUMBER OF EXCAVATION DAMAGES: 30

NUMBER OF EXCAVATION TICKETS : 9940

PART E-EXCESS FLOW VALUE(EFV) DATA

NUMBER OF EFV'S INSTALLED THIS CALENDER YEAR ON SINGLE FAMILY RESIDENTIAL SERVICES: 405

ESTIMATED NUMBER OF EFV'S IN SYSTEM AT THE END OF YEAR: 1514

PART F - LEAKS ON FEDERAL LAND

TOTAL NUMBER OF LEAKS ON FEDERAL LAND REPAIRED OR SCHEDULED TO REPAIR: 0

PART G-PERCENT OF UNACCOUNTED FOR GAS

UNACCOUUNTED FOR GAS AS A PERCENT OF TOTAL INPUT FOR THE 12 MONTHS ENDING JUNE 30 OF THE REPORTING YEAR.

INPUT FOR YEAR ENDING 6/30: .74%

PART H - ADDITIONAL INFORMATION

PART I - PREPARER AND AUTHORIZED SIGNATURE

Leigh Willett,Manager, Operations Services (Preparer's Name and Title)	(603) 777-5509 (Area Code and Telephone Number)
willettl@unitil.com (Preparer's email address)	(603) 777-5609 (Area Code and Facsimile Number)

Northern Utilities, Inc.
DG 13-086

Supplementary Filing Requirements
Pursuant to Puc 1604.01(a)

In accordance with Puc 1604.01(a), please provide:

(28) Support figures appearing on written testimony and/or in accompanying exhibits.

Response:

Please refer to the schedules and workpapers accompanying the testimony presented in this filing.