Unitil Energy Systems, Inc.
DE 24-058
F-4 Petition for Authority to Issue Securities
NH Department of Energy Data Requests - Set 1

Date Request Received: 5/6/24 **Date of Response:** 5/20/2024
Request No. DOE 1-02 **Witness:** Goulding & Francoeur

Request:

Please provide the estimated impact on future electric rates as a result of the proposed bond issuance.

Response:

Interest expense is recovered from ratepayers through the debt component of cost of capital. In the Company's last base rate proceeding (DE 21-030), had the debt component been 5.72% as shown in Exhibit AFCG-7, the estimated revenue deficiency would have increased approximately $0.25 million.

Unitil Energy Systems, Inc.
DE 24-058
F-4 Petition for Authority to Issue Securities
NH Department of Energy Data Requests - Set 1

Date Request Received: 5/6/24 **Date of Response:** 5/20/2024
Request No. DOE 1-01 **Witness:** Goulding & Francoeur

Request:

Reference Direct Testimony of Goulding and Francoeur at Bates 7. Please provide copies of the most recent credit ratings reports from Standard & Poor's, Moody's Investor Services, and the National Association of Insurance Commissioners that support and/or modify the current credit ratings for Unitil Energy Systems, Inc.

Response:

Unitil Corporation and all of its utility subsidiaries (Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Northern Utilities, Inc. and Granite State Gas Transmission, Inc.) are rated BBB+ by Standard & Poor's rating agency.

Unitil Corporation and Granite State Gas Transmission, Inc. are rated Baa2 by Moody's rating agency. Northern Utilities, Inc., Unitil Energy Systems, Inc., and Fitchburg Gas and Electric Light Company are all rated Baa1 by Moody's.

Please refer to DOE 1-01 - Attachment 1 for the Standard & Poor's credit rating report dated August 11, 2023.

Please refer to DOE 1-01 - Attachment 2 for the Moody's credit rating report dated October 6, 2023.

We do not receive reports from the National Association of Insurance Commissioners.

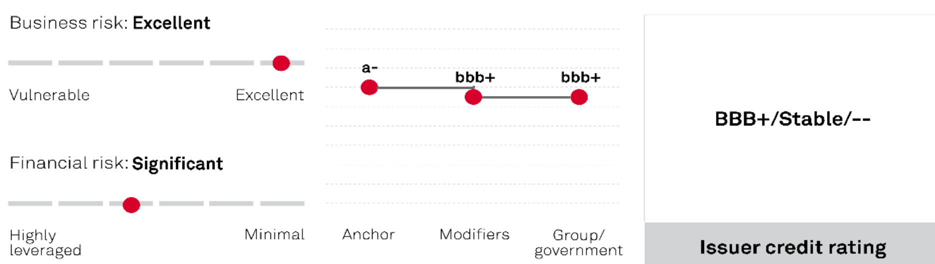
S&P Global
Ratings

RatingsDirect®

Unitil Corp.

August 11, 2023

Ratings Score Snapshot



Primary contact

Shiny A Rony
Toronto
1-437-247-7036
shiny.rony
@spglobal.com

Secondary contact

Gerrit W Jepsen, CFA
New York
1-212-438-2529
gerrit.jepsen
@spglobal.com

Research contributor

Naman Agarwal
CRISIL Global Analytical Center, an S&P Global Ratings affiliate
Pune

Credit Highlights

Overview

Key strengths	Key risks
Predominantly low-risk electric and natural gas distribution operations.	Smaller customer base and limited scope of operations adds risk to business profile.
Generally constructive regulatory frameworks in three states.	Material exposure to industrial and commercial customers relative to peers.
Adequate financial cushion from downgrade threshold.	Robust capital spending resulting in consistent negative discretionary cash flow, requiring consistent access to the capital markets.
Increasing capital spending to support gas system growth and electric distribution system modernization, reducing operational risks.	

We continue to monitor the pending rate case activities. In May 2023, Unitil subsidiary Northern Utilities (NU) filed a rate case with the Maine Public Utilities Commission (MPUC) to increase its base distribution rates by $11.8 million, a 9.4% increase over the company's test year operating revenue. The filing is based on information for 12 months ended Dec. 31, 2022, incorporating a forward-looking analysis of revenues, expenses, and spending through the rate year (Feb. 1, 2024, through Jan. 31, 2025). Unitil subsidiary Fitchburg Gas and Electric (FG&E) is also expected to file multi-year rate cases for both gas and electric in August 2023. A decision for these rate cases is expected during the first half of 2024.

Unitil's small size weighs on the business risk profile. Compared to peers, Unitil is a small utility with less than 200,000 customers, increasing its susceptibility to local economic conditions. Furthermore, given the company's size, it has fewer financial levers available to implement should it be under financial stress, relative to its larger peers.

Outlook

The stable outlook on Unitil and its subsidiaries reflects our expectation that the consolidated company will continue to manage regulatory risk effectively, recover project costs through approved mechanisms on a timely basis, and fund its capital projects in a balanced manner, while maintaining its current capital structure. Under our base-case scenario, we expect Unitil's financial measures to consistently reflect the middle of the range for its financial risk profile category, with S&P Global Ratings-adjusted funds from operations (FFO) to debt in the 17%-19% range.

Downside scenario

We could lower the rating on Unitil and its subsidiaries if consolidated FFO to debt consistently weakened to below 13%. This could occur if the company does not receive sufficient and timely cost recovery of its invested capital or if costs sharply rise without an ability for near-term recovery. We could also lower the rating if the company changes its current utility-focused strategy and materially expands its non-utility operations.

Upside scenario

We could raise the rating if financial measures materially increase such that FFO to debt is consistently above 19%. This could occur through higher cash flow generation resulting from higher sales, improved rate case outcomes, or increased equity issuance.

Our Base-Case Scenario

Assumptions

- Gross margin growth primarily from regulated capital recovery and customer growth in New Hampshire, Maine, and Massachusetts.
- Elevated capital spending averaging about $165 million annually through 2027, primarily to support gas system growth and distribution system modernization.
- Discretionary cash flow deficit that we expect to be funded primarily with debt.
- All debt maturities are refinanced.

Key metrics

Unitil Corp.—Forecast summary*

	2022a	2023e	2024f	2025f
Debt to EBITDA (x)	4.3	4.0-4.5	4.0-4.5	4.0-4.5
FFO to debt (%)	19.1	17.0-19.0	17.0-19.0	17.0-19.0
FFO cash interest coverage (%)	5.6	5.0-5.5	5.0-5.5	5.0-5.5

*All figures adjusted by S&P Global Ratings. a--Actual. f--Forecast. e--Estimate. FFO--Funds from operations.

Company Description

Unitil is a holding company of three regulated electric and natural gas distribution utilities serving about 195,600 customers in Massachusetts, Maine, and New Hampshire (Fitchburg Gas and Electric Light Co. [FG&E], NU, and Unitil Energy Systems Inc. (UES)). Together, these regulated subsidiaries contribute a majority of the consolidated revenues. Additionally, Unitil is the holding company of Granite State Gas Transmission Inc. (Granite State), an interstate gas transmission pipeline company located primarily in Maine and New Hampshire, primarily serving the natural gas needs of affiliate NU.

Peer Comparison

Unitil Corporation--Peer Comparisons

	Unitil Corp.	Central Maine Power Co.	Central Hudson Gas & Electric Corp.	New York State Electric & Gas Corp.
Foreign currency issuer credit rating	BBB+/Stable/--	A/Stable/A-1	BBB+/Stable/NR	A-/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/--	A/Stable/A-1	BBB+/Stable/NR	A-/Stable/A-2
Period	Annual	Annual	Annual	Annual
Period ending	2022-12-31	2022-12-31	2022-12-31	2022-12-31
Mil.	$	$	$	$
Revenue	563	1,051	1,018	2,221
EBITDA	147	363	176	401
Funds from operations (FFO)	119	267	135	347
Interest	28	52	43	73
Cash interest paid	26	51	40	67
Operating cash flow (OCF)	99	374	(37)	48
Capital expenditure	122	294	222	674
Free operating cash flow (FOCF)	(23)	81	(259)	(626)
Discretionary cash flow (DCF)	(48)	(149)	(259)	(801)
Cash and short-term investments	9	28	2	0
Gross available cash	9	28	2	0
Debt	625	1,367	1,220	2,464

Unitil Corporation--Peer Comparisons

Equity	468	2,196	1,056	2,429
EBITDA margin (%)	26.0	34.5	17.3	18.1
Return on capital (%)	7.7	6.7	4.7	5.3
EBITDA interest coverage (x)	5.2	7.0	4.1	5.5
FFO cash interest coverage (x)	5.6	6.2	4.4	6.2
Debt/EBITDA (x)	4.3	3.8	6.9	6.1
FFO/debt (%)	19.1	19.5	11.0	14.1
OCF/debt (%)	15.9	27.4	(3.1)	2.0
FOCF/debt (%)	(3.6)	5.9	(21.2)	(25.4)
DCF/debt (%)	(7.7)	(10.9)	(21.2)	(32.5)

Business Risk

Our business risk profile assessment of Unitil as excellent reflects its lower-risk, rate-regulated electric and natural gas distribution operations that provide essential services. Our assessment also incorporates the company's generally constructive regulatory framework in supportive jurisdictions that allow the company recover costs, including capital spending, through annual adjustments, decoupling, multiyear rate plans, and capital tracker mechanisms. Over 80% of its total customer base is covered under decoupled rates, reducing the volumetric risk associated with electricity and natural gas sales. Furthermore, while the company operates a small gas transmission business (less than 5% of EBITDA), it reduces its business risk by primarily serving the natural gas needs of its affiliate utility, NU, and not higher-risk third-party marketers.

Partially offsetting these strengths is the company's relatively small base of 195,600 customers. This increases its susceptibility to local economic conditions. Additionally, we believe the company has fewer financial levers available to implement should it be under financial stress, relative to its larger peers. As such, we assess the company at the lower end of the range for its business risk profile category. To incorporate this risk, we assess the comparable rating analysis modifier as negative.

Financial Risk

Under our base-case scenario, we expect Unitil's financial measures, including S&P Global Ratings-adjusted FFO to debt, to continue to remain in the significant financial risk profile range through 2025. We expect the company to operate with an adjusted FFO-to-debt ratio in the 17%-19% range through 2025, which is at the midpoint of the benchmark range.

Our expectation incorporates periodic rate filings and cost recovery across the company's regulated utilities. Furthermore, capital tracker mechanisms in Maine, New Hampshire, and Massachusetts that allow the utility to recover capital spending between base rate cases through rate surcharges or step adjustments, supports our expectations for cash flow stability.

Our base case also reflects the elevated capital spending of about $820 million for the 2023-2027 period, which is 40% higher than the previous five years, the majority of which is directed to support gas system growth and electric distribution system modernization.

While our base case assumes negative discretionary cash flow during the forecast period, we expect this will be funded in a credit-supportive manner. We expect leverage, as measured by adjusted debt to EBITDA, to be 4.0x-4.5x, incorporating the incremental debt issuances to fund the rising spending.

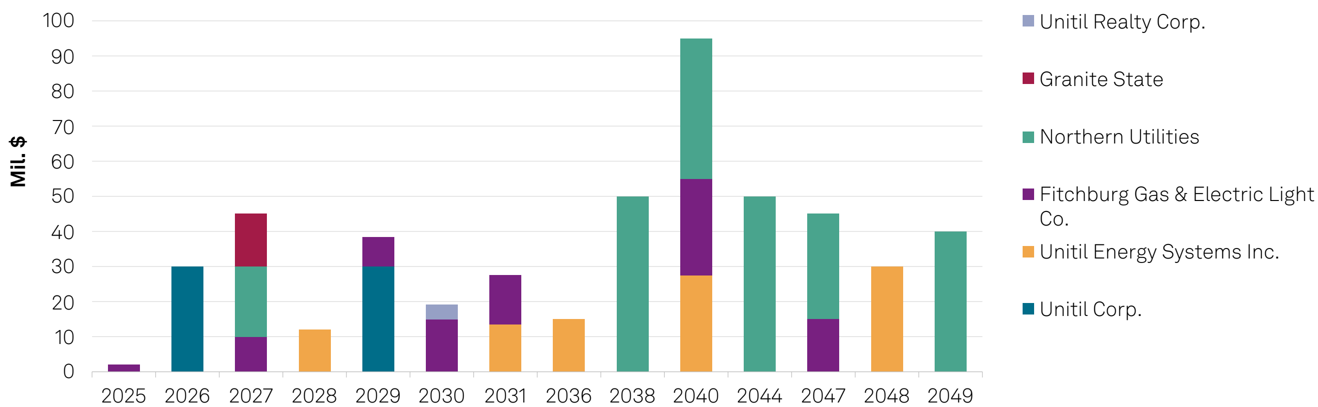
We assess Unitil's financial risk profile using our medial volatility benchmarks, reflecting its lower-risk utility operations and effective regulatory risk management.

Debt maturities

- 2023: $7 million
- 2024: $5 million
- 2025: $5 million
- 2026: $38 million
- 2027: $56 million
- Thereafter: $389 million

Scheduled maturities of Unitil Corp Inc.'s long-term debt

As of Dec. 31, 2022



Source: Company's filings.

Unitil Corporation--Financial Summary

Period ending	**Dec-31-2017**	**Dec-31-2018**	**Dec-31-2019**	**Dec-31-2020**	**Dec-31-2021**	**Dec-31-2022**
Reporting period	2017a	2018a	2019a	2020a	2021a	2022a
Display currency (mil.)	$	$	$	$	$	$
Revenues	406	444	438	419	473	563
EBITDA	131	125	129	129	141	147
Funds from operations (FFO)	107	100	104	104	113	119
Interest expense	27	27	27	27	27	28
Cash interest paid	23	25	24	25	26	26

Unitil Corporation--Financial Summary

Operating cash flow (OCF)	87	80	106	77	110	99
Capital expenditure	119	102	119	123	115	122
Free operating cash flow (FOCF)	(32)	(23)	(13)	(46)	(5)	(23)
Discretionary cash flow (DCF)	(52)	(45)	(35)	(69)	(29)	(48)
Cash and short-term investments	9	8	5	6	7	9
Gross available cash	9	8	5	6	7	9
Debt	552	572	621	709	667	625
Common equity	337	351	377	389	449	468
Adjusted ratios						
EBITDA margin (%)	32.2	28.2	29.4	30.9	29.7	26.0
Return on capital (%)	9.9	8.1	7.9	7.4	7.5	7.7
EBITDA interest coverage (x)	4.8	4.6	4.7	4.9	5.1	5.2
FFO cash interest coverage (x)	5.6	5.0	5.3	5.2	5.3	5.6
Debt/EBITDA (x)	4.2	4.6	4.8	5.5	4.7	4.3
FFO/debt (%)	19.5	17.4	16.7	14.7	16.9	19.1
OCF/debt (%)	15.8	13.9	17.1	10.8	16.4	15.9
FOCF/debt (%)	(5.8)	(4.0)	(2.1)	(6.5)	(0.8)	(3.6)
DCF/debt (%)	(9.5)	(7.8)	(5.7)	(9.7)	(4.4)	(7.7)

Reconciliation Of Unitil Corporation Reported Amounts With S&P Global Adjusted Amounts (Mil. $)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2022									
Company reported amounts	612	468	563	143	81	28	147	98	25	122
Cash taxes paid	-	-	-	-	-	-	(1)	-	-	-
Cash interest paid	-	-	-	-	-	-	(26)	-	-	-
Lease liabilities	5	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	2	0	0	(0)	2	-	-
Postretirement benefit obligations/ deferred compensation	37	-	-	-	-	-	-	-	-	-
Accessible cash and liquid investments	(9)	-	-	-	-	-	-	-	-	-
Share-based compensation expense	-	-	-	2	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	4	-	-	-	-	-
Debt: other	(20)	-	-	-	-	-	-	-	-	-
Total adjustments	13	-	-	4	4	0	(27)	2	-	-

Reconciliation Of Unitil Corporation Reported Amounts With S&P Global Adjusted Amounts (Mil. $)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	625	468	563	147	85	28	119	99	25	122

Liquidity

As of June 30, 2023, we assess the Unitil's liquidity as adequate, which reflects our expectation that sources of cash will be more than 1.1x its uses over the next 12 months, even if forecast EBITDA declines 10%. We use slightly less stringent thresholds to assess Unitil's liquidity because we believe its constructive regulatory framework provides manageable cash flow stability even in times of economic stress. Unitil maintains $200 million in committed credit facilities through 2027. We believe the company can lower its high capital spending during stressful periods, which limits the need to refinance under such conditions. Furthermore, our assessment reflects Unitil's generally prudent risk management, sound relationships with banks, and a satisfactory standing in the credit markets. Overall, we believe Unitil will likely withstand adverse market circumstances during the next 12 months with sufficient liquidity to meet its obligations.

We expect Unitil to manage upcoming long-term debt maturities and refinance well in advance of scheduled due dates.

Principal liquidity sources

- Cash and liquid investments of about $7 million;
- Estimated cash FFO of about $125 million; and
- Credit facility availability of about $200 million.

Principal liquidity uses

- Maintenance capital spending of about $130 million;
- Working capital outflows of about $5 million;
- Debt maturities of about $140 million over the next 12 months; and
- Dividends of about $25 million.

Environmental, Social, And Governance

Environmental factors are a moderately negative consideration in our credit rating analysis of Until Corp. due to the company's natural gas pipeline network. We believe these factors lead to heightened risks as methane leaks can stem from vintage gas infrastructure and compromised infrastructure can cause the occasional safety incident. Further, the company's coastal operations expose it to severe weather events. Social factors are therefore a moderately negative consideration in our credit rating analysis as well.

Group Influence

Under our group rating methodology, we assess Unitil as the parent of a group, which includes core subsidiaries FG&E, NU, UES, and Granite State. Unitil's group credit profile is 'bbb+', leading to an issuer credit rating of 'BBB+'.

Rating Component Scores

Foreign currency issuer credit rating	**BBB+/Stable/--**
Local currency issuer credit rating	**BBB+/Stable/--**
Business risk	**Excellent**
Country risk	Very Low
Industry risk	Very Low
Competitive position	Strong
Financial risk	**Significant**
Cash flow/leverage	Significant
Anchor	**a-**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Satisfactory (no impact)
Comparable rating analysis	Negative (-1 notch)
Stand-alone credit profile	**bbb+**

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings Detail (as of August 11, 2023)*

Unitil Corp.	
Issuer Credit Rating	BBB+/Stable/--
Issuer Credit Ratings History	
05-Aug-2022	BBB+/Stable/--
05-Nov-2020	BBB+/Negative/--
23-Dec-2014	BBB+/Stable/--
Related Entities	
Fitchburg Gas and Electric Light Co.	
Issuer Credit Rating	BBB+/Stable/--
Granite State Gas Transmission Inc.	
Issuer Credit Rating	BBB+/Stable/--
Northern Utilities Inc.	
Issuer Credit Rating	BBB+/Stable/--
Unitil Energy Systems Inc.	
Issuer Credit Rating	BBB+/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings credit ratings on the global scale are comparable across countries. S&P Global Ratings credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

MOODY'S INVESTORS SERVICE

CREDIT OPINION
6 October 2023

Update

Send Your Feedback

RATINGS

Unitil Corporation

Domicile	New Hampshire, United States
Long Term Rating	Baa2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Edna R Marinelarena +1.212.553.1383
AVP-Analyst
edna.marinelarena@moodys.com

Jeffrey F. Cassella +1.212.553.1665
VP-Sr Credit Officer
jeffrey.cassella@moodys.com

Tang Zheng +1.212.553.0300
Associate Analyst
tang.zheng@moodys.com

Michael G. Haggarty +1.212.553.7172
Associate Managing Director
michael.haggarty@moodys.com

Unitil Corporation

Update to credit analysis

Summary

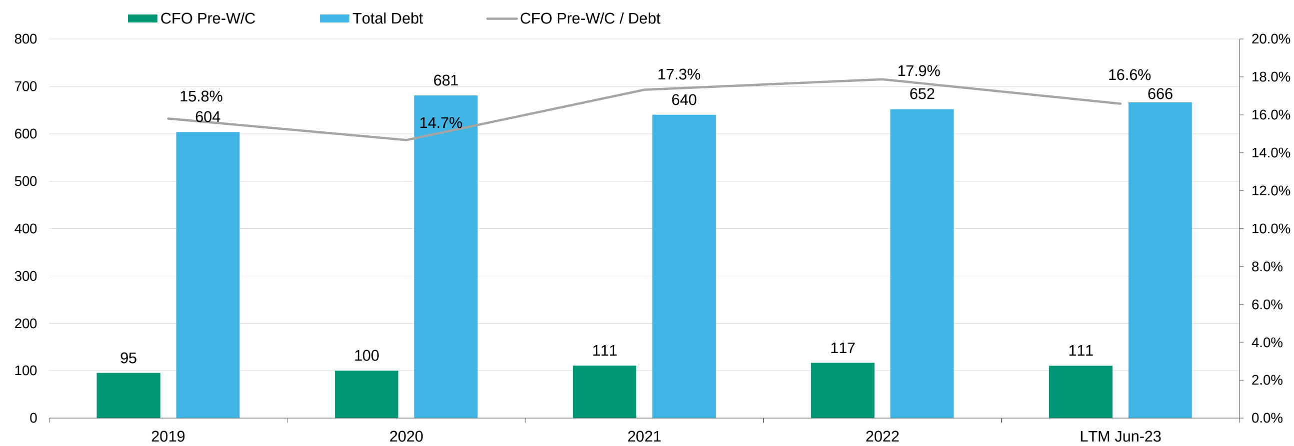
Unitil Corporation's (Unitil) credit profile is supported by the quality of the cash flow (i.e dividend) generated by its low business risk fully rate regulated utilities, which operate in several credit supportive jurisdictions in the New England region. Unitil's business consists of both regulated electric transmission and distribution (T&D) utilities and natural gas local distribution companies (LDCs). We anticipate Unitil's steady operating and financial performance to continue over the next several years driven by the strength of its utilities.

We expect Unitil to sustain its stable financial metrics including a ratio of cash flow from operations before changes in working capital (CFO pre-WC) to debt ranging between 17% and 19% over the next few years. The company's credit also considers the structural subordination of its parent level debt, which accounted for approximately 12% of total consolidated debt as of 30 June 2023, compared to that of its operating subsidiaries. We expect parent level debt to remain steady with no material new issuances over the next several years.

The credit profiles of subsidiaries Unitil Energy Systems, Inc. (UES, Baa1 stable), Fitchburg Gas & Electric Light Company (FGE, Baa1 stable), and Northern Utilities, Inc. (NU, Baa1 stable) reflects each utility's low risk profile as regulated electric T&Ds and/or gas LDCs operating in the credit supportive regulatory jurisdictions of Massachusetts, New Hampshire and Maine. UES, FGE and NU have regulatory approval to utilize several timely cost and investment recovery mechanisms as well as revenue decoupling which enables the utilities to generate credit metrics supportive of their credit quality. We expect UES to maintain a CFO pre-WC to debt ratio in the low 20% range while NU and FGE will sustain a ratio of about 17% and 20%, respectively.

Unitil's smallest subsidiary, Granite State Gas Transmission, Inc.'s (GSGT, Baa2 stable) credit profile reflects its small size relative to other FERC regulated gas pipelines and its adequate financial profile. The pipeline operations support NU's service territories within Maine and New Hampshire and have low recontracting risk owing to the evergreen contract agreement with NU, which represents about 70% of total revenue annually. GSGT's credit metrics have fluctuated in recent years but we expect its FFO to debt ratio will range between 14% and 17% over the next two years.

Exhibit 1
Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt ($ MM)



Source: Moody's Financial Metrics

Credit Strengths

» Diversified regulated utility holding company

» Low-risk electric T&Ds and natural gas LDCs

» Credit supportive regulatory jurisdictions

» Financial metrics expected to remain stable

Credit Challenges

» Small size and scale

» Substantial exposure to commercial and industrial customers

Rating Outlook

Unitil's stable outlook reflects our expectation that the company will continue to operate as a low-risk regulated utility holding company and maintain a solid financial profile including a CFO pre-WC to debt ratio ranging between 17% and 19% over the next several years. Additionally, we expect parent level debt to remain at consistent levels in the low teens as a percentage of total consolidated debt.

The stable outlooks for UES, FGE, NU and GSGT incorporate our expectation that the utilities will continue to operate within supportive regulatory environments and maintain consistent financial metrics including ratios of CFO pre-WC to debt in the low 20% range for UES, about 20% for FGE, about 17% for NU, and a FFO to debt ratio between 14% and 16% for GSGT.

Factors that Could Lead to an Upgrade

Unitil could be upgraded if the rating of its largest subsidiaries, such as UES or NU, is upgraded. Unitil could also be upgraded if its financial profile strengthens such that its ratio of CFO pre-WC to debt is sustained above 20% going forward.

UES, FGE and NU could be upgraded if their respective regulatory constructs improve including authorization of formula rates and forward test years. The utilities could also be upgraded if their financial profiles strengthen including ratios of CFO pre-WC to debt sustained above 25% going forward.

GSGT could be upgraded if its ratio of FFO to debt is sustained above 20% on a consistent basis.

Factors that Could Lead to a Downgrade

Unitil could be downgraded if one of its largest subsidiaries, such as UES or NU, is downgraded or if its financial performance deteriorates including a CFO pre-WC to debt ratio falling below 14% on a sustained basis. Unitil could also be downgraded if its holding company debt as a percentage of consolidated debt increases to the mid-20% range or higher and we expect it to be sustained at this level.

UES, FGE and NU could be downgraded if their credit metrics decline including a CFO pre-WC to debt ratio falling below 17% on a sustained basis or if their respective regulatory jurisdiction becomes less credit supportive through material cost disallowances or less supportive rate case outcomes.

GSGT could be downgraded if its FFO to debt ratio is sustained below 12% or if there is deterioration in the credit quality of the pipeline's shippers, primarily NU, or of Unitil's credit quality.

Key Indicators

Unitil Corporation [1]

	Dec-19	Dec-20	Dec-21	Dec-22	LTM Jun-23
CFO Pre-W/C + Interest / Interest	4.3x	4.5x	4.9x	4.7x	4.3x
CFO Pre-W/C / Debt	15.8%	14.7%	17.3%	17.9%	16.6%
CFO Pre-W/C – Dividends / Debt	12.1%	11.4%	13.6%	14.0%	12.7%
Debt / Capitalization	56.3%	57.8%	52.6%	50.9%	50.5%

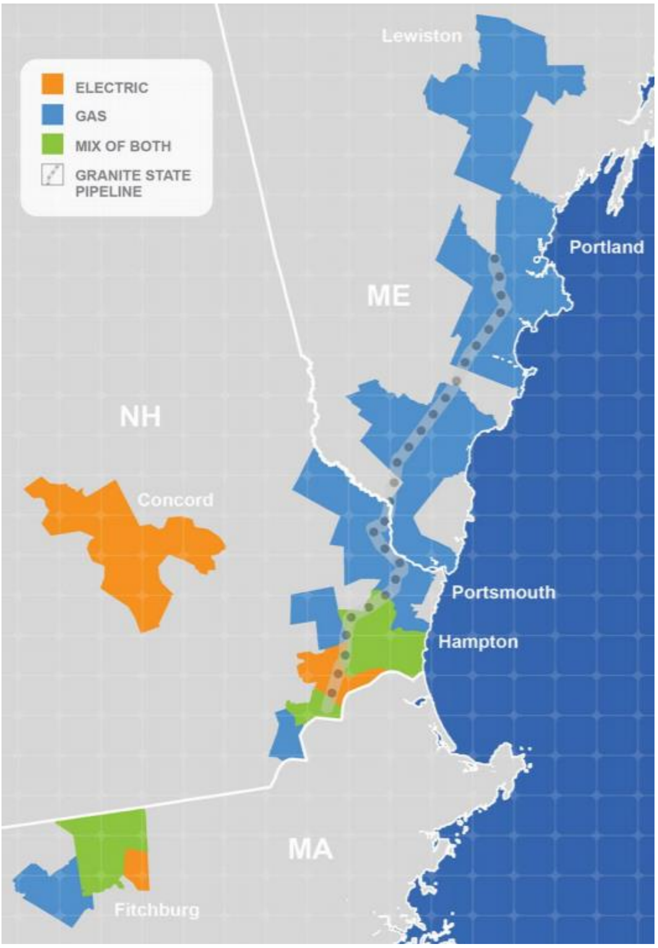
[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

Headquartered in Hampton, New Hampshire, Unitil Corporation is a utility holding company that serves close to 195,600 electric and gas customers in the greater northern New England region. Unitil's regulated utility subsidiaries include Unitil Energy Systems, Inc. (UES), an electric T&D that serves over 77,800 customers in New Hampshire; Fitchburg Gas & Electric Light Company (FGE), a gas and electric distribution company that serves just over 46,600 customers in Massachusetts; Northern Utilities, Inc. (NU), a natural gas LDC that serves over 71,200 customers in New Hampshire and Maine; and Granite State Gas Transmission, Inc. (GSGT), an 86 mile natural gas pipeline in New Hampshire and Maine.

UES is regulated by the New Hampshire Public Utilities Commission (NHPUC). FGE is regulated by the Massachusetts Department of Public Utilities (MDPU). NU is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). GSGT is regulated by the Federal Energy Regulatory Commission (FERC). Unitil had about $1.6 billion in assets and almost $600 million in revenue for the last twelve months ending 30 June 2023.

Exhibit 3
Unitil's service territory



Source: Company presentation

Detailed Credit Considerations

Stable, low business risk utilities with substantial exposure to C&I customers

Unitil's credit profile incorporates the regulatory and geographic diversification from owning four regulated utilities within the greater New England region. Unitil's corporate family of low-risk regulated utilities includes electric T&D's, natural gas LDCs and a small FERC regulated natural gas pipeline. The vast majority of consolidated revenue is derived from utility services while only 1% of revenue is from natural gas transportation services. As shown in Exhibit 4, UES and NU are the largest of the four subsidiaries, which combined produced about 63% of total consolidated revenue.

Unitil's credit profile also reflects the structural subordination of the parent's debt holders relative to the indebtedness of its operating utilities. Unitil's holding company level debt of $60 million represents approximately 12% of consolidated total long term debt. If parent level debt were to increase significantly from current levels, it could lead to a wider differential between the credit quality of the parent and its operating subsidiaries. We expect parent level debt to remain steady in the low teens as a percentage of total debt with no material new issuances over the next several years.

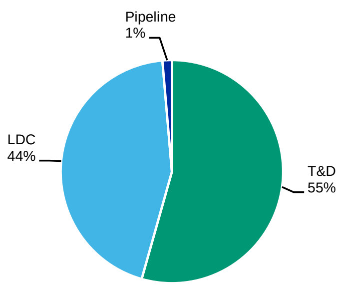
Exhibit 4
Unitil corporate family financial summary

Company	Segment	States	Revenue	Revenue as % of Consolidated	Long-term Debt	LTD as % of Consolidated	Total Assets	Total Assets as % of Consolidated
Unitil Corporation	HoldCo	NH	$595.3	100%	$60	12%	$1,540	100.0%
Unitil Energy Systems, Inc.	T&D	NH	$241.1	41%	$93	19%	$403	26.2%
Fitchburg Gas & Electric Light Company	T&D/LDC	MA	$134.0	23%	$88	18%	$419	27.2%
Northern Utilities, Inc.	LDC	NH & ME	$218.7	37%	$230	47%	$694	45.0%
Granite State Gas Transmission, Inc.	Pipeline	NH & ME	$8.1	1%	$15	3%	$60	3.9%

LTM Q2 2023
Source: Unitil Corp filings

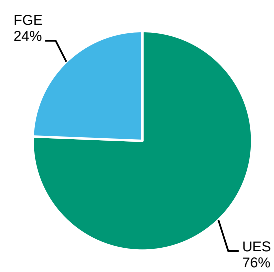
When considering a breakdown by segment, Unitil's T&D business represents about 55% of consolidated revenue with its LDC segment comprising about 44%, as shown in Exhibit 5. Of Unitil's T&D business, UES is the largest by revenue while NU is the largest by revenue of Unitil's LDC business (Exhibit 7).

Exhibit 5
Consolidated revenue breakdown by segment



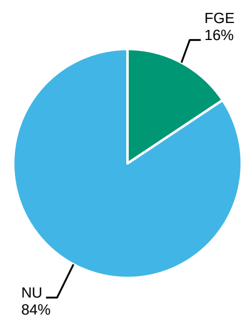
As of 30 June 2023
Source: Unitil's financial filings

Exhibit 6
T&D revenue breakdown by utility



As of 30 June 2023
Source: Unitil's financial filings

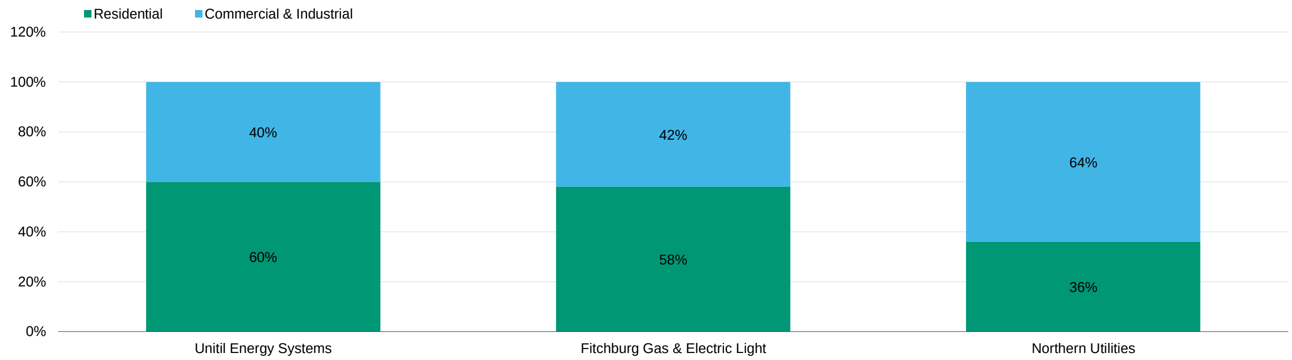
Exhibit 7
LDC revenue breakdown by utility



As of 30 June 2023
Source: Unitil's financial filings

Unitil's material exposure to commercial and industrial (C&I) customers, which account for about 50% of annual revenue, detracts from its low business risk profile (see Exhibit 8). Because of the cyclical nature of C&I customer demand, these customers typically add more volatility to sales volumes especially during economic downturns. In the absence of decoupling mechanisms, lower than anticipated volumes can have a negative impact on Unitil's subsidiaries' cash flows. NU has the highest exposure as over 60% of its revenue are from C&I customers.

Exhibit 8
Revenue breakdown by customer class



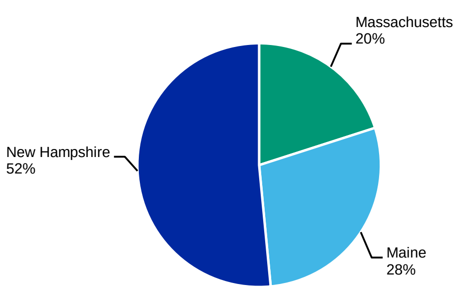
As of 30 June 2023
Source: Unitil Corp Filings

Favorably, approximately 82% of the utilities' customers are now under a decoupling mechanism. UES and NU were authorized for decoupling within New Hampshire as of the conclusion of their general rate cases in 2022. The mechanism had previously only been available to FGE in Massachusetts. Unitil's T&D business is now fully decoupled with its LDC segment at about 60% of customers under a decoupling mechanism. As a result, we expect greater stability of cash flow for these utilities going forward given that New Hampshire represents the largest share of rate base thereby mitigating the higher risk C&I exposure.

Generally credit supportive and consistent regulatory jurisdictions in the New England region

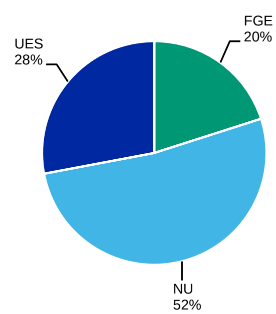
The Unitil family of utilities operate in New Hampshire, Maine and Massachusetts where we view the regulatory environments to be credit supportive. The largest share of rate base is located within New Hampshire where NU, UES and GSGT operate (see Exhibit 9 and Exhibit 10). Each company has received generally constructive rate case outcomes that support cash flow generation resulting in steady credit metrics. Additional support is provided by generally timely cost recovery mechanisms such as capital investment trackers and revenue decoupling in Massachusetts and New Hampshire. Decoupling insulates the utilities' cash flow from fluctuations in their retail electric and gas sales, thus adding a higher level of stability and predictability, a credit positive.

Exhibit 9
Unitil rate base breakdown by state



As of 30 June 2023
Source: Rate case filings

Exhibit 10
Unitil rate base breakdown by utility



As of 30 June 2023
Source: Rate case filings

Northern Utilities

NU's rate base is largely in Maine (63%) with the remainder in New Hampshire. On 2 August 2021, NU filed its latest general rate case in New Hampshire seeking a base rate increase of about $7.7 million premised on a pro forma 2020 test year. On 20 July 2022, the NHPUC approved a settlement agreement authorizing a $6.1 million revenue increase (9.1% increase) and a revenue decoupling mechanism (RDM), a credit positive. The new rate plan took effect on 1 August 2022 with a reconciliation to the effective date of interim rates on 1 October 2021. The settlement authorized a 9.3% ROE, previously 9.5%, and a 52% equity ratio, previously 51.7%.

The settlement further authorized NU an additional increase or step adjustment for the full 2021 rate year over the 11-months between 1 September 2022 and 31 July 2023. The utility originally requested three annual step adjustments effective 1 August of each year from 2022 through 2024. Due to the single step adjustment, NU agreed to not file a rate case before 1 January 2024. However, the company is able to adjust distribution rates as a result of exogenous events such as state or federal initiated cost changes, regulatory cost reassignments or an externally imposed accounting rule change, if such event exceeds $0.2 million.

In Maine, NU filed its latest general rate case on 1 May 2023 requesting an $11.8 million base distribution rate increase (9.4%) based on a forward test year of 1 February 2024 through 31 January 2025. On 20 September 2023, the MPUC approved a settlement agreement authorizing an about $7.6 million revenue increase, a 52.01% equity layer and 9.35% ROE. Although the ROE was lowered from 9.48%, the authorized equity layer was increased from 50% leading to an overall slight improvement in the weighted average cost of equity of about 0.12%, which we view as credit supportive.

Fitchburg Gas & Electric Light

In Massachusetts, FGE uses a revenue decoupling mechanism for its electric and gas segments. Decoupling reconciles the utility's electric and gas distribution revenue, on an annual basis, to a baseline distribution service revenue level established by the MDPU. FGE also utilizes a long-term capital expenditure tracker that allows for timely annual revenue adjustments to recover capital investments for both electric and gas.

The utility filed its latest electric and gas general rate case on 17 August 2023 requesting a $6.8 million and $10.8 million revenue increase respectively. The request includes roll-in of investments and expenses approved for recovery through various rate mechanisms and a proposal for the adoption of Performance Based Ratemaking (PBR). The filing was premised on a 10.5% ROE for electric and a 10.75% ROE for gas; the equity layer requested was the same for both at 52.26%.

FGE's last general rate case was filed on 17 December 2019 and on 17 April 2020, the MDPU approved a settlement agreement for both electric and gas base rates. The electric base rate settlement allowed for an increase of $1.1 million and the gas base rate settlement allowed for an increase of $4.6 million to be phased in over two years. The first year increase totaled $3.7 million effective 1 March 2020 with the remaining $0.9 million increase effective 1 March 2021. Both settlements authorized a 9.7% ROE, reduced slightly from 9.8%, and an equity ratio of 52.45%, increased from 52.17%.

Unitil Energy Systems

On 2 April 2021, UES filed its most recent rate case with the NHPUC requesting a permanent base rate revenue increase of $12 million. The proposed rate increase was based on a 10% ROE and 52.9% equity ratio. On 3 May 2022, the NHPUC filed an order approving a settlement authorizing a $5.9 million revenue increase and a revenue decoupling mechanism. The approved settlement included a 9.2% ROE, down from 9.5%, and a 52% equity ratio, an increase from 50.97%.

Granite State Gas Transmission

GSGT's operations are an integral part of NU's operations and service territory, accounting for about 1% of Unitil's consolidated revenue. The company's long-term debt outstanding consists of $15 million of notes due November 2027. The FERC regulated interstate natural gas transmission pipeline solely services NU's customer territory in New Hampshire and Maine. GSGT transports natural gas from hubs in the Haverhill, MA area and provides NU with interconnection to three pipelines including the Portland Natural Gas Transmission System, Maritimes and Northeast Pipeline, L.L.C., and the Tennessee Gas Pipeline Company, L.L.C. (Baa2 stable).

GSGT derives approximately 80% of its revenue from gas transportation services provided to investment grade rated LDCs, including 70% from NU, while the remaining 20% of revenue is from third-party gas marketing suppliers. GSGT is highly dependent on NU's growth for future growth projects. On 30 November 2020, FERC approved an uncontested rate settlement that resulted in an increase in annual revenue of roughly $1.3 million, effective 1 November 2020. The settlement allowed for the filing of limited rate adjustments for capital cost projects eligible for cost recovery in 2021, 2022 and 2023. It also set a cap of about $14.6 million on the capital costs recoverable under such filings throughout the term of the settlement. The settlement also provided that GSGT not file a general rate case before April 2024.

Consistent cash flow generation resulting in steady financial metrics

Because of the low-risk nature and predictable cash flow generation of its utilities, we expect Unitil and the entire family of companies to sustain credit metrics that are supportive of their credit profiles. Over the last five years, Unitil's CFO pre-WC averaged about $105 million annually resulting in an average CFO pre-WC to debt ratio of about 17%. For the last twelve months ending 30 June 2023, CFO pre-WC was $110.5 million with a ratio of 16.7%. We expect Unitil to sustain this ratio in the high teens, ranging between 17% and 19%, over the next several years driven by consistent regulatory outcomes at its utilities.

UES' financial performance has historically been the strongest of all of the Unitil subsidiaries because of its low risk T&D operations that produces consistent and predictable cash flow. However, because of the nominal size of its cash flow, at about $30 million on average annually, the ratio is highly sensitive to any positive or negative swings in cash flow or debt. That said, the utility's CFO pre-WC to debt ratio, which typically is sustained above 20%, has fluctuated over the last several years from a low of 18% in 2019 to a high of 30% in 2022. The improvement in the ratio was due to credit supportive regulatory outcomes leading to stronger cash flow generation as well as lower debt levels and pension liabilities.

However, as of LTM 30 June 2023, UES' CFO pre-WC to debt ratio was about 19% due to higher short term debt to support the interim higher purchase power costs. Because we expect the utility to continue to benefit from credit supportive regulatory outcomes, we expect its financial performance will continue to produce strong credit metrics, including a CFO pre-WC to debt ratio in the low 20% range on average over the next several years.

FGE and NU's credit metrics have been more consistent and we expected them to remain relatively stable because of predictable cash flow generation supported by constructive rate case outcomes. FGE's credit metrics improved over the last several years and we expect the utility to maintain a ratio of CFO pre-WC to debt of about 20%. NU's financial performance will also remain consistent with a ratio of CFO pre-WC to debt of about 17% over the next several years.

Similar to UES, GSGT's credit metrics are highly sensitive to nominal changes in its cash flow and debt levels, with FFO averaging about $3 million annually. The pipeline's financial performance improved in recent years driven by a reduction in debt. In 2021, FFO to debt reached about 22% from a low of 14.3% in 2018. However, as of LTM ending 30 June 2023, the ratio was at 13.4% largely driven by higher short term debt to support its 2022 and 2023 capex program. The pipeline's last limited rate adjustment for capital costs took effect on 1 September 2023, which will support credit metric including an FFO to debt in the mid teens range over the longer-term.

ESG considerations

Unitil's ESG Credit Impact Score is CIS-3 (Moderately Negative)

Exhibit 11
ESG Credit Impact Score

CIS-3
Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

Unitil's **CIS-3** score indicates that ESG considerations have a limited impact on the current credit rating with greater potential for future negative impact over time. Physical climate risks and increased exposure to demographic and social trends, such as a less supportive regulatory environment and customer affordability concerns, could weaken credit quality over the long-term.

Exhibit 12
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-4	S-3	G-2
Highly Negative	Moderately Negative	Neutral-to-Low

Source: Moody's Investors Service

Environmental

The **E-4** score reflects Until's high physical climate risk exposure associated with the potential for extreme weather events in its service territory, which is concentrated in the Northeast. These risks are offset by a neutral to low exposure to water management, waste and pollution and natural capital risks.

Social

Unitil's **S-3** score reflects the moderate risks associated with demographic and societal trends, as well as responsible production, associated to its LDC segment. These risks could increase public concerns over environmental, social or affordability issues and lead to adverse regulatory or political intervention. Despite these risks, Unitil has demonstrated its ability to sustain a strong relationship with its various regulators given the authorization of decoupling mechanisms as well as other cost recovery mechanisms over the last several years.

Governance

Unitil's **G-2** is broadly in line with other utilities and does not pose a particular risk. This is supported by neutral to low exposure to financial strategy and risk management and management credibility and track record risks.

ESG Issuer Profile Scores and Credit Impact Scores for Unitil are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for Unitil on MDC and view the ESG Scores section.

Liquidity Analysis

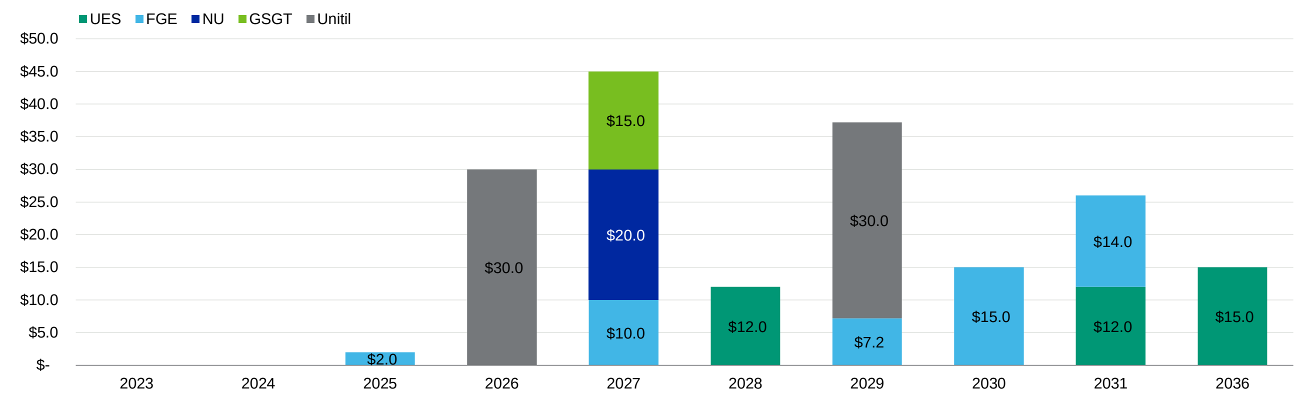
Unitil's adequate liquidity profile is principally supported by the upstreamed dividends from its group of regulated utilities and access to external liquidity sources. Consistent with historical periods, Unitil maintained a modest consolidated cash balance of $7 million as of 30 June 2023. Dividend distributions from its subsidiaries are the primary source of cash flow and totaled $27 million in 2022, which approximated Unitil's shareholder dividend distribution of $25 million for the same period.

Unitil and all of its subsidiaries use a $200 million joint revolving credit facility that expires in September 2027. The revolver includes a $25 million sublimit for the issuance of standby letters of credit. The borrowing limit can be upsized by an additional $75 million with lender approval. The credit agreement has one financial covenant that sets a maximum total debt to capitalization of 65% and is tested quarterly, which Unitil is in compliance with. In addition, borrowings under the facility are subject to a material adverse change clause, which is not a typical clause for revolving credit agreements of investment grade rated companies.

Unitil has historically used its short-term borrowings to help fund its subsidiaries' capex programs, pension contributions, working capital requirements (including any storm related costs) and/or debt repayments until longer term financing is arranged. At 30 June 2023, Unitil had $68.3 million available on the revolver, net of $131.7 million of borrowings and no letters of credit outstanding. Although the subsidiaries have no short-term borrowing limits on the revolver, the New Hampshire regulator established annual borrowing limits for UES and NU of $40 million and $120.8 million, respectively. Unitil's board of directors establish annual borrowing limits of $60 million for both UES and FGE, $120 million for NU and $25 million for GSGT.

Unitil's $60 million of holding company debt includes unsecured notes due in August 2026 and December 2029 (see exhibit 13). The subsidiaries' nearest long-term debt maturity is $2 million at FGE due in October 2025. We expect that Unitil will continue to fund the group's planned capital investments of about $150 million annually through 2026 with a balanced mix of debt and equity, including internally generated cash flow, short-term borrowings on its revolving credit facility and long-term debt issuances.

Exhibit 13
Unitil and subsidiary debt maturities over the next 10 years



Debt as of 30 June 2023
Source: Unitil Corp. Filing

Appendix

Exhibit 14

Unitil's Cash Flow and Credit Metrics [1]

CF Metrics	Dec-19	Dec-20	Dec-21	Dec-22	LTM Jun-23
As Adjusted					
FFO	**95**	**96**	**108**	**115**	**121**
+/- Other	0	4	3	2	-11
CFO Pre-WC	**95**	**100**	**111**	**117**	**111**
+/- ΔWC	13	-23	-1	-18	-21
CFO	**108**	**77**	**110**	**99**	**90**
- Div	22	23	24	25	26
- Capex	124	122	117	122	134
FCF	**-38**	**-68**	**-30**	**-49**	**-70**
(CFO Pre-W/C) / Debt	15.8%	14.7%	17.3%	17.9%	16.6%
(CFO Pre-W/C - Dividends) / Debt	12.1%	11.4%	13.6%	14.0%	12.7%
FFO / Debt	15.8%	14.1%	16.9%	17.6%	18.2%
RCF / Debt	12.1%	10.7%	13.2%	13.8%	14.4%
Revenue	438	419	473	563	595
Interest Expense	29	29	28	31	34
Net Income	34	33	39	39	40
Total Assets	1,369	1,476	1,540	1,589	1,594
Total Liabilities	1,003	1,088	1,092	1,122	1,111
Total Equity	366	388	449	466	483

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM=Last Twelve Months
Source: Moody's Financial Metrics

Exhibit 15

Peer Comparison Table [1]

	Unitil Corporation Baa2 (Stable)			Avangrid, Inc. Baa2 (Stable)			NiSource Inc. Baa2 (Stable)			DTE Energy Company Baa2 (Stable)		
(In US millions)	FYE Dec-21	FYE Dec-22	LTM Jun-23	FYE Dec-21	FYE Dec-22	LTM Jun-23	FYE Dec-21	FYE Dec-22	LTM Jun-23	FYE Dec-22	FYE Dec-22	LTM Jun-23
Revenue	473	563	595	6,974	7,923	8,049	4,900	5,851	5,850	14,964	19,228	16,190
CFO Pre-W/C	111	117	111	1,526	1,448	1,362	1,411	1,580	1,566	3,085	2,344	2,843
Total Debt	640	652	666	9,119	9,765	10,873	10,306	11,815	12,925	18,382	20,100	20,601
CFO Pre-W/C + Interest / Interest	4.9x	4.7x	4.3x	5.4x	4.8x	4.2x	4.8x	5.0x	4.5x	5.8x	4.4x	4.8x
CFO Pre-W/C / Debt	17.3%	17.9%	16.6%	16.7%	14.8%	12.5%	13.7%	13.4%	12.1%	16.8%	11.7%	13.8%
CFO Pre-W/C – Dividends / Debt	13.6%	14.0%	12.7%	9.9%	7.7%	6.2%	10.1%	9.9%	8.7%	12.2%	8.2%	10.2%
Debt / Capitalization	52.6%	50.9%	50.5%	29.4%	30.2%	32.4%	54.8%	55.9%	58.1%	62.3%	60.7%	60.9%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade
Source: Moody's Financial Metrics

Rating Methodology and Scorecard Factors

Exhibit 16
Methodology Scorecard Factors
Unitil Corporation

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Ba	Ba	Ba	Ba
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.8x	A	4.8x-5.1x	A
b) CFO pre-WC / Debt (3 Year Avg)	18.1%	Baa	17%-19%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	14.3%	Baa	14%-15%	Baa
d) Debt / Capitalization (3 Year Avg)	52.2%	Baa	48%-51%	A
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		A3
HoldCo Structural Subordination Notching	-1	-1	-1	-1
a) Scorecard-Indicated Outcome		Baa2		Baa1
b) Actual Rating Assigned				Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for nonfinancial Corporations.
[2] As of 06/30/2023(L);
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Exhibit 17

Methodology Scorecard Factors

Unitil Energy Systems, Inc. - Private

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Ba	Ba	Ba	Ba
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	5.4x	A	5.5x-6.0x	A
b) CFO pre-WC / Debt (3 Year Avg)	22.3%	A	21%-25%	A
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	18.1%	A	17%-21%	A
d) Debt / Capitalization (3 Year Avg)	48.3%	A	42%-45%	A
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A3		A3
HoldCo Structural Subordination Notching	0	0	0	0
a) Scorecard-Indicated Outcome		A3		A3
b) Actual Rating Assigned				Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for nonfinancial Corporations.
[2] As of 06/30/2023(L);
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Exhibit 18

Methodology Scorecard Factors

Northern Utilities, Inc - Private

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Ba	Ba	Ba	Ba
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.8x	A	4.7x - 5.1x	A
b) CFO pre-WC / Debt (3 Year Avg)	18.5%	Baa	17%-19%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	13.2%	Baa	13%-15%	Baa
d) Debt / Capitalization (3 Year Avg)	47.0%	A	48%-50%	A
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		A3
HoldCo Structural Subordination Notching	0	0	0	0
a) Scorecard-Indicated Outcome		Baa1		A3
b) Actual Rating Assigned				Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for nonfinancial Corporations.
[2] As of 06/30/2023(L);
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Exhibit 19

Methodology Scorecard Factors

Fitchburg Gas & Electric Light Company - Private

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	Ba	Ba	Ba	Ba
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	5.4x	A	5.0x-5.5x	A
b) CFO pre-WC / Debt (3 Year Avg)	19.4%	A	18%-20%	A
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	15.8%	A	16%-18%	A
d) Debt / Capitalization (3 Year Avg)	53.6%	Baa	48%-50%	A
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A3		A3
HoldCo Structural Subordination Notching	0	0	0	0
a) Scorecard-Indicated Outcome		A3		A3
b) Actual Rating Assigned				Baa1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for nonfinancial Corporations.
[2] As of 06/30/2023(L);
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Exhibit 20
Methodology Scorecard Factors
Granite State Gas Transmission, Inc. - Private

Natural Gas Pipelines Industry Scorecard [1][2]	Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Market Position (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Demand Growth	Baa	Baa	Baa	Baa
b) Competition	A	A	A	A
c) Volume Risk & Throughput Trend	Baa	Baa	Baa	Baa
Factor 2 : Quality of Supply Source (10%)				
a) Supply Source	Baa	Baa	Baa	Baa
Factor 3 : Contract Quality (30%)				
a) Firm Revenues	Baa	Baa	Baa	Baa
b) Contract Life	Baa	Baa	Baa	Baa
c) Shipper Quality / Recontracting Risk	Baa	Baa	Baa	Baa
Factor 4 : Financial Strength (45%)				
a) (FFO + Interest) / Interest	4.3x	Baa	4.8x-5.1x	Baa
b) FFO / Debt	13.4%	Ba	14%-17%	Baa
c) (FFO - Dividends) / Debt	9.1%	Ba	10%-12%	Ba
Rating:				
a) Scorecard-Indicated Outcome		Baa3		Baa2
b) Actual Rating Assigned				Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for nonfinancial Corporations.
[2] As of 06/30/2023(L);
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Ratings

Exhibit 21

Category	Moody's Rating
UNITIL CORPORATION	
Outlook	Stable
Issuer Rating	Baa2
FITCHBURG GAS & ELECTRIC LIGHT COMPANY	
Outlook	Stable
Issuer Rating	Baa1
UNITIL ENERGY SYSTEMS, INC.	
Outlook	Stable
Issuer Rating	Baa1
First Mortgage Bonds	A2
GRANITE STATE GAS TRANSMISSION, INC.	
Outlook	Stable
Issuer Rating	Baa2
NORTHERN UTILITIES, INC.	
Outlook	Stable
Issuer Rating	Baa1

Source: Moody's Investors Service

REPORT NUMBER 1377211

MOODY'S
INVESTORS SERVICE

Unitil Energy Systems, Inc.
DE 24-058
F-4 Petition for Authority to Issue Securities
NH Department of Energy Data Requests - Set 1

Date Request Received: 5/6/24 **Date of Response:** 5/20/2024
Request No. DOE 1-03 **Witness:** Goulding & Francoeur

Request:

Reference Direct Testimony of Goulding and Francoeur at 3. Please provide the Company's most recent itemized capital budget for 2024. Note: Unitil has not filed its 2024 E-22 Report of Proposed Distribution Expenditures with the Commission.

Response:

Please refer to DOE 1-03 – Attachment 1 for the Company's 2024 E-22 Report of Proposed Distribution Expenditures which was filed on May 15, 2024.

Form E-22

State of New Hampshire
Public Utilities Commission
Concord

Report No.
Sheet______ of
Date

Company Unitil Energy Systems, Inc For 2024

Report of Proposed Expenditures For Additions, Extensions and Capital Improvements To Fixed Capital (In Compliance with P.U.C. Order No. 5963)

ITEM NO.	LOCATION	DESCRIPTION	EST. CONSTRUCTION DATE Start	Finish	ESTIMATED COST
BABE/C24	Various	T&D Improvements	Jan	Dec	$ 2,831,877.00
BACE/C24	Various	T&D Improvements, Carryover	Jan	Dec	$ 104,043.00
BBBE/C24	Various	New Customer Additions	Jan	Dec	$ 1,194,956.00
BCBE/C24	Various	Outdoor Lighting	Jan	Dec	$ 228,142.00
BDBE/C24	Various	Emergency & Storm Restoration	Jan	Dec	$ 1,485,866.00
BEBE/C24	Various	Billable Work	Jan	Dec	$ 635,202.00
BFBE/C24	Various	Transformers Co/Conversions	Jan	Dec	$ 5,770,983.00
BFCE/C24	Various	Transformers Co/Conversions, Carryover	Jan	Dec	$ 1,854,378.00
BGBE/C24	Various	Transformer Cust. Req	Jan	Dec	$ 6,392,026.00
BGCE/C24	Various	Transformer Cust. Req., Carryover	Jan	Dec	$ 4,062,854.00
BHBE/C24	Various	Meter Blanket Co. Req.	Jan	Dec	$ 408,779.00
BHCE/C24	Various	Meter Blanket Co. Req., Carryover	Jan	Dec	$ 157,868.00
BIBE/C24	Various	Meter Blanket Cust. Req.	Jan	Dec	$ 683,484.00
BICE/C24	Various	Meter Blanket Cust. Req., Carryover	Jan	Dec	$ 374,420.00
DBBE/C24	Various	Underground Line Extensions –	Jan	Dec	$ 477,113.00
DBCE/C24	Various	Underground Line Extensions – Carryover	Jan	Dec	$ 365,121.00
				Subtotal	**$27,027,112.00**

Signed Raymond A. Letourneau, Jr. *Title* Vice President

Form E-22

State of New Hampshire
Public Utilities Commission
Concord

Report No.
Sheet______ of
Date

DEBE02	Exeter	Newton Intersection Improv.	TBD		$ 351,420.00
DEBE/DEBC	Various	Highway Projects	Jan	Dec	$ 371,794.00
DEBE01	Exeter	NH DOT, Relocate Facilities, Rt. 125, Kingston & Plaistow	TBD		$ 228,386.00
DPBE/C01	Various	Distribution Pole Replacement	Jan	Dec	$ 2,370,610.00
DPBE03	Exeter	CCT. 27X1 - Install Recloser - Drinkwater Rd	July	Nov	$ 115,977.00
DPBE04	Exeter	CCT. 56X1 - Reconductor Johnson Rd	April	July	$ 109,218.00
DPBE05	Exeter	CCT. 2X3 - Reconductor Paige's Ln.	May	August	$ 148,657.00
DPBE08	Exeter	3360 & 3371 Sub-transmission cross arm replacements	March	May	$ 137,751.00
DPBC05	Capital	34 Line rebuild Bridge St. to West Concord	Jan	2026	$ 568,212.00
DPBE09	Exeter	43X1 South Rd Brentwood Pole Line Relocation	Apr	Nov	$ 158,719.00
DPCE02	Exeter	Sub-Transmission Pole replacements carryover	May	July	$ 1,912,316.00
DPCE06	Exeter	Hunt Rd Tap Replace Scada RTU	Feb	Nov	$ 103,902.00
DPCE07	Exeter	Shaws Hill Tap Replace Scada RTU	Feb	Nov	$ 103,902.00
DPCE08	Exeter	Circuits 46X1 and 2X2 Create Circuit Tie and Reconfigure	Carryover	2025	$ 519,043.00
DPCC01	Capital	36 Line River Crossing Replacement	Jun	Oct	$ 165,056.00
DPCC02	Capital	Rebuild and Convert Circuits 1H2, 1H3 and 1H4	Jun	Oct	$ 286,289.00
DPCC03	Capital	Rebuild and convert CCT. 2H1 and 2H4	Sept	2026	$ 577,862.00
				Subtotal	**$8,229,114.00**

Signed Raymond A. Letourneau, Jr. *Title* Vice President

Form E-22

State of New Hampshire

Public Utilities Commission

Concord

Report No.
Sheet______ of
Date

DRCE01	Exeter	CCT. 23X1 and 27X1 – Convert Circuit Portion, Create Circuit Tie, Install Reclosers, and Implement Dist. Automation	Jan	Dec	$ 607,319.00
EECE/C01	Various	Telecommunications Rep. Electric SCADA	Carryover	Nov	$ 238,842.00
PPCE01	Exeter	Construct PV Facility	Jun	Aug	$ 5,300,000.00
GPBC01	Capital	Interior Lighting Upgrade	Jun	Aug	$ 130,000.00
GPBC02	Capital	Office Upgrades	Jun	Aug	$ 300,000.00
SPCE02	Exeter	Rebuild Mill Lane Tap	Feb	Nov	$ 475,453.00
SPCE03	Exeter	Seabrook – Rep. SCADA RTU	Feb	Nov	$ 103,902.00
SPCE04	Exeter	Timberlane – Rep. SCADA RTU	Feb	Nov	$ 103,902.00
SPCE07	Exeter	Replace Hampton Beach 3T3 Power Transformer	Carryover	May	$ 824,457.00
				Subtotal	**$8,083,875.00**

Signed Raymond A. Letourneau, Jr. *Title* Vice President

Form E-22

State of New Hampshire
Public Utilities Commission
Concord

Report No.
Sheet______ of
Date

O&M	Various	Dist Oper Trans Check/change	Jan	Dec	$ 225,061.00
O&M	Various	Standby Time Line Dept	Jan	Dec	$ 130,085.00
O&M	Various	Dist Oper Urd Line Exp	Jan	Dec	$ 161,156.00
O&M	Various	Unprod Time/Weather	Jan	Dec	$ 120,899.00
O&M	Various	Unprod Time/Holidays	Jan	Dec	$ 102,570.00
O&M	Various	Unprod Time/Vacation	Jan	Dec	$ 163,078.00
O&M	Various	Unprod Time/other	Jan	Dec	$ 167,657.00
O&M	Various	Dist Maint Unscheduled	Jan	Dec	$ 1,228,992.00
O&M	Various	Dist Oper Gen Meter Exp	Jan	Dec	$ 280,520.00
O&M	Various	Meter Orders	Jan	Dec	$ 191,058.00
O&M	Various	Credit Disconnection	Jan	Dec	$ 149,714.00
O&M	Various	Dist Maint Stat Equip Annual	Jan	Dec	$ 276,378.00
O&M	Various	Vegetation Management Program	Jan	Dec	$ 6,961,525
				Subtotal	**$10,158,693.00**
				GRAND TOTAL	**$53,498,794.00**

Signed Raymond A. Letourneau, Jr. *Title* Vice President