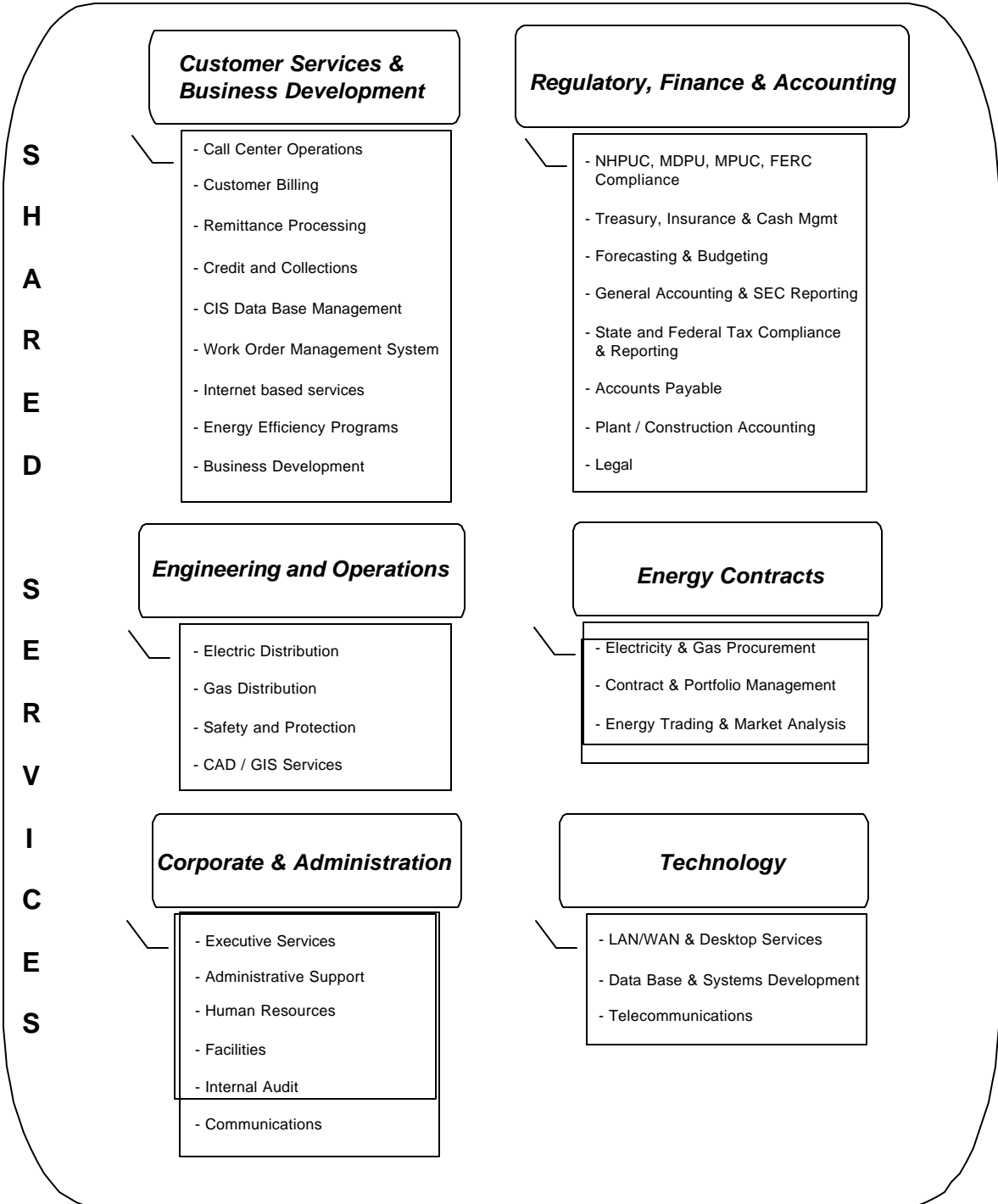
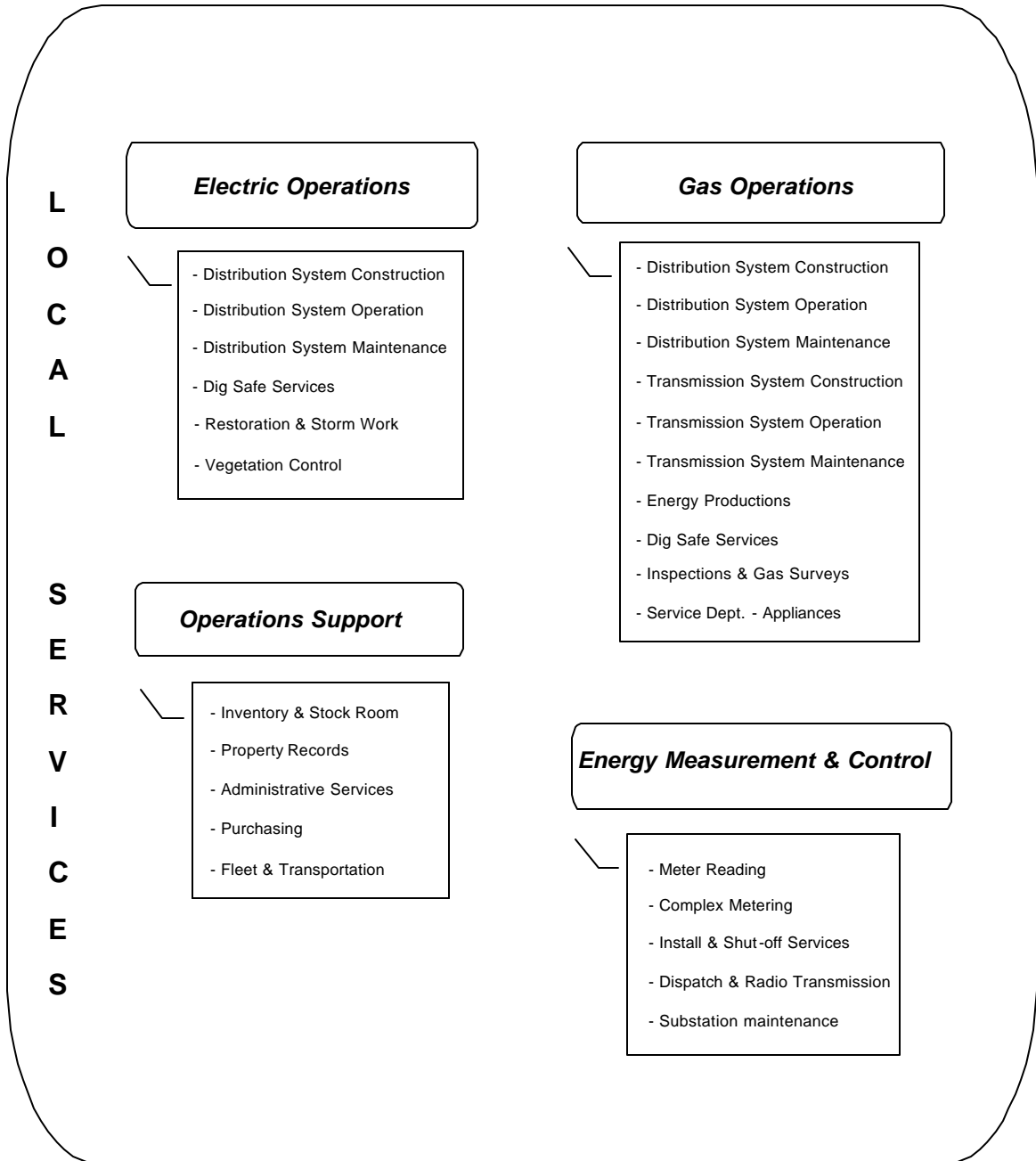


Unitil Service Corp. Departments & Functions



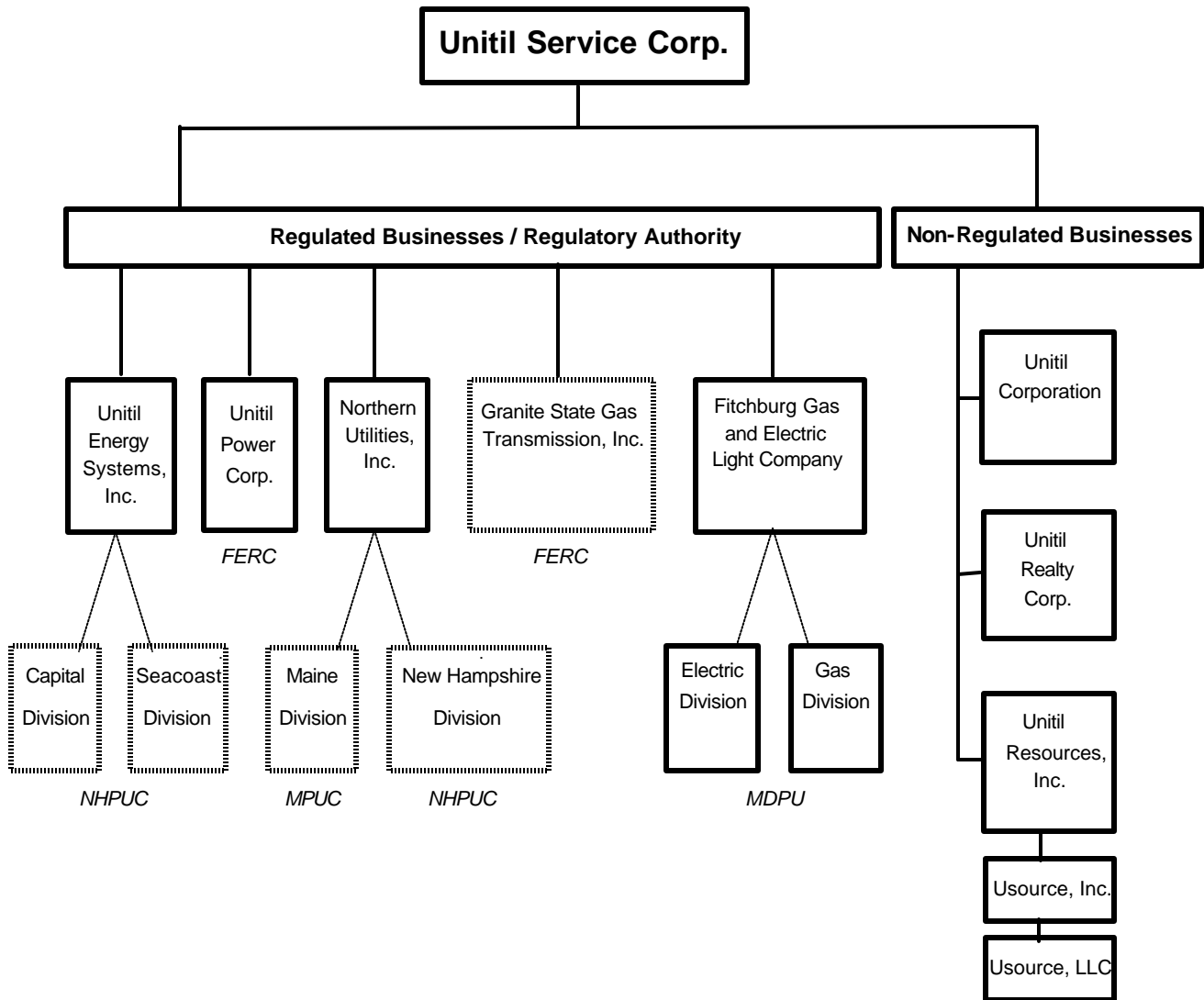
Distribution Operation Center

Departments & Functions



Unitil Service Corp. – Client Companies

“Post Acquisition – 2008”



Allocated Base O & M Synergies
Estimated 2008
(in millions)

<u>Line No.</u>		<u>UES</u>	<u>FGE</u>	<u>NU-ME</u>	<u>NU-NH</u>	<u>GST</u>	<u>All Other</u>	<u>Total</u>	<u>Reference</u>
<u>OUTSIDE SERVICES (O/S):</u>									
1	Pre-Acquisition O/S - Operations and Maintenance	\$ -	\$ -	\$ 3.9	\$ 4.2	\$ 0.6	\$ -	\$ 8.7	2006 NU MPUC Report, p.19.8
2	Pre-Acquisition O/S - Operations and Maintenance	7.8	6.7	-	-	-	0.8	15.3	Ex. LMB -7, p.2, L.36-37
3	Total Service Company O & M Synergies:	\$ 7.8	\$ 6.7	\$ 3.9	\$ 4.2	\$ 0.6	\$ 0.8	\$ 24.0	L.1 + L.2
4	Post-Acquisition O/S - Operations and Maintenance	6.4	5.0	3.0	3.0	0.9	0.8	19.1	Ex. LMB -7, p.2, L.36-44
5	Total Service Company O & M Synergies:	\$ (1.4)	\$ (1.7)	\$ (0.9)	\$ (1.2)	\$ 0.3	\$ -	\$ (4.9)	L.4 - L.3
<u>OTHER G&A O & M COSTS:</u>									
6	Other G&A Costs - Operations and Maintenance	-	-	(0.2)	(0.2)	(0.1)	-	(0.5)	
7	Total Base O & M Synergies:	\$ (1.4)	\$ (1.7)	\$ (1.1)	\$ (1.4)	\$ 0.2	\$ -	\$ (5.4)	L.5 + L.6

UNITIL Service Corp.
 Labor/ Overhead Allocation Analysis
 2008 Budget vs. 2008 w/ Northern Utilities and Granite State Transmission
 (\$000's)

Line No.		2008 Budget		2008 w/Northern		Change		Reference
		\$	%	\$	%	\$	%	
Labor								
1	UES	\$ 6,034	52.4%	\$ 4,857	34.0%	\$ (1,177)	-8.3%	
2	Fitchburg	5,207	45.2%	4,004	28.1%	(1,203)	-8.4%	
3	NU - ME	-	0.0%	2,274	15.9%	2,274	15.9%	
4	NU - NH	-	0.0%	2,376	16.7%	2,376	16.7%	
5	GST	-	0.0%	473	3.3%	473	3.3%	
6	Usource	215	1.9%	215	1.5%	-	0.0%	
7	URI	8	0.1%	8	0.1%	-	0.0%	
8	URC	57	0.5%	57	0.4%	-	0.0%	
9	Corp	3	0.0%	3	0.0%	-	0.0%	
10	Total	\$ 11,524	100.0%	\$ 14,266	100.0%	\$ 2,742	19.2%	Ex. LMB-7, p.3, L.12
Overhead								
11	UES	\$ 6,105	51.3%	\$ 4,854	35.2%	\$ (1,251)	-9.1%	
12	Fitchburg	5,257	44.1%	4,013	29.1%	(1,244)	-9.0%	
13	NU - ME	-	0.0%	1,938	14.1%	1,938	14.1%	
14	NU - NH	-	0.0%	2,025	14.7%	2,025	14.7%	
15	GST	-	0.0%	403	2.9%	403	2.9%	
16	Usource	487	4.1%	487	3.5%	-	0.0%	
17	URI	7	0.1%	7	0.1%	-	0.0%	
18	URC	51	0.4%	51	0.4%	-	0.0%	
19	Corp	3	0.0%	3	0.0%	-	0.0%	
20	Total	\$ 11,909	100.0%	\$ 13,780	100.0%	\$ 1,871	13.6%	
Total								
21	UES	\$ 12,139	51.8%	\$ 9,711	34.6%	\$ (2,428)	-8.7%	
22	Fitchburg	10,464	44.7%	8,017	28.6%	(2,447)	-8.7%	
23	NU - ME	-	0.0%	4,211	15.0%	4,211	15.0%	
24	NU - NH	-	0.0%	4,402	15.7%	4,402	15.7%	
25	GST	-	0.0%	876	3.1%	876	3.1%	
26	Usource	702	3.0%	702	2.5%	-	0.0%	
27	URI	15	0.1%	15	0.1%	-	0.0%	
28	URC	107	0.5%	107	0.4%	-	0.0%	
29	Corp	5	0.0%	5	0.0%	-	0.0%	
30	Total	\$ 23,433	100.0%	\$ 28,046	100.0%	\$ 4,613	16.4%	
Construction & DSM								
31	UES	\$ 4,328	53.2%	\$ 3,269	29.4%	(1,059)	-23.8%	
32	Fitchburg	3,811	46.8%	2,991	28.8%	(820)	-18.0%	
33	NU - ME	-	0.0%	1,259	21.2%	1,259	21.2%	
34	NU - NH	-	0.0%	1,380	20.7%	1,380	20.7%	
35	Total	\$ 8,139	100.0%	\$ 8,899	100.0%	\$ 760	0.0%	
Total Net Charges								
36	UES	\$ 7,811	51.1%	\$ 6,442	33.6%	(1,369)	-7.2%	
37	Fitchburg	6,653	43.5%	5,026	26.2%	(1,627)	-8.5%	
38	NU - ME	-	0.0%	2,952	15.4%	2,952	15.4%	
39	NU - NH	-	0.0%	3,022	15.8%	3,022	15.8%	
40	GST	-	0.0%	876	4.6%	876	4.6%	
41	Usource	702	4.6%	702	3.7%	-	0.0%	
42	URI	15	0.1%	15	0.1%	-	0.0%	
43	URC	107	0.7%	107	0.6%	-	0.0%	
44	Corp	5	0.0%	5	0.0%	-	0.0%	
45	P&L Impact	\$ 15,294	100.0%	\$ 19,147	100.0%	\$ 3,853	20.1%	

Incremental Salaries Summary by Departments

<u>Line No.</u>		<u>Qty</u>	<u>Salary</u>	<u>Reference</u>
	DOC Level (Existing Positions)			
	Union			
	DOC Operations	38		
	Metering & Control	13		
	Operation Services	6		
		<u>57</u>		
	Non Union			
	DOC Operations	13		
	Engineering	2		
	Marketing	7		
	Operation Services	6		
		<u>28</u>		
	Total DOC Level	<u>85</u>		
	USC Level (New Positions)			
1	Regulatory	3	\$ 249,687	
2	Business Services	1	62,956	
3	Human Resources	1	45,000	
4	Finance	2	125,912	
5	Information System	2	125,000	
6	Accounting	4	297,996	
7	Energy Contracts	2	159,320	
8	Financial Services	2	153,323	
9	Operations	13	1,011,077	
10	Customer Operations	11	448,828	
11	Communications	1	62,901	
12	Total USC Level	<u>42</u>	<u>2,742,000</u>	
	Total Staffing Resources	<u>127</u>	<u>\$ 2,742,000</u>	



Unitil / Northern Utilities - Integration Planning

- In 2009, we independently operate Northern as a fully-integrated operating subsidiary of Unitil in concert with our other utility operating companies and consistent with Unitil's standards of operating, financial and regulatory excellence.
- By November 1, 2008, be prepared to implement the integration of 100% of the Business Processes of Northern with the Business Processes, IS Tools, Policies, Procedures and Controls of Unitil in a timely and cost effective manner.





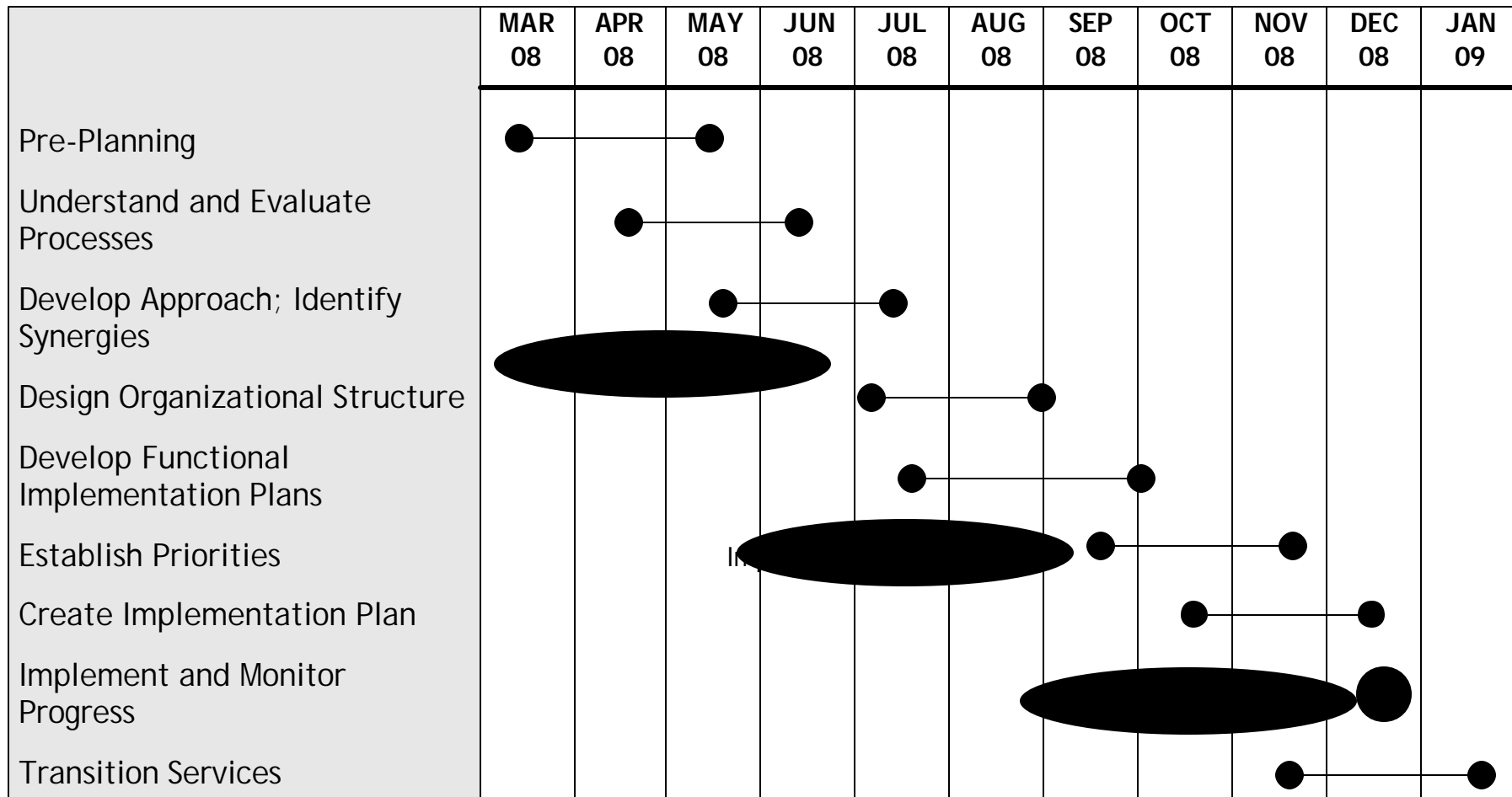
Unitil / Northern Utilities - Integration Planning

- By March 28, 2008: identify and document each business process in Unitil and/or Northern which is to be integrated.
- By April 14, 2008: compile the integration plans of all of the business processes into a “ready-to-execute” consolidated Business Integration Plan, which reflects logical agreement among the business process owners.
- By May 5, 2008: associate the teams at Unitil with the teams at Northern who, together, will design and test the business process integrations.
- Be ready to implement plans.
- Execute when ready.





Business Integration - Steps and Timeline



Business Integration



**Unitil / Northern Utilities
Business Integration**

Area of Responsibility	Primary Functions	Unitil Contact	Northern Utilities Contact	Granite State Contact
Transition Coordination		Laurence Brock VP and Chief Accounting Officer Ph: 603.773.6510 Cell: 603.944.7403 Email: Brock@unitil.com Location: Hampton, NH		
		Raymond Letourneau Director, Operations Ph: 603.777.5502 Cell: 603.502.9253 Email: Letourneau@unitil.com Location: Kensington, NH		
		Raymond Morrissey VP, Information Systems Ph: 603.773.6503 Cell: 603.944.7888 Email: Morrissey@unitil.com Location: Hampton, NH		
Accounts Payable	Disbursements, Invoice Distribution, Reporting, Vendor Master File	Deborah Chaput Supervisor, Accounts Payable Ph: 603.773.6526 Email: Chaput@unitil.com Location: Hampton, NH		
Construction Accounting	Construction Authorization, overhead rate calculation, plant continuing property records, depreciation, AFUDC, CIAC, Construction Work Orders	Tressa Northrup Manager, Utility Accounting and Budgeting Ph: 603.773.6522 Email: Northrup@unitil.com Location: Hampton, NH		
Corporate Accounting	General Ledger, Financial Reporting, Tax Accounting and Compliance, Service Company allocations	Deborah Mahoney Manager, General Accounting Ph: 603.773.6478 Email: Mahoney@unitil.com Location: Hampton, NH		

**Unitil / Northern Utilities
Business Integration**

Area of Responsibility	Primary Functions	Unitil Contact	Northern Utilities Contact	Granite State Contact
Regulatory	Rates, Tariffs, Compliance filings	Karen Asbury Director, Regulatory Services Ph: 603.773.6441 Email: Asbury@unitil.com Location: Hampton, NH		
Risk / Insurance	Insurance (All) – acquisition and claims – auto, general liability, workers comp, environmental	Thomas Gatherum Risk Manager Ph: 603.227.4545 Cell: 603.502.8737 Email: Gatherum@unitil.com Location: Concord, NH		
Treasury	Cash Management, Bank Relations, Lines of Credit, Leases	Robyn Tafoya Director, Finance Ph: 603.773.6499 Email: Tafoya@unitil.com Location: Hampton, NH		
Business Services / Sales	Energy Efficiency, Gas Sales, Products and Services	Cindy Carroll Director, Business and Economic Development Ph: 603.773.6532 Cell: 603.944.7411 Email: Carroll@unitil.com Location: Hampton, NH		
Customer Service	All	Mark Lambert Director, Customer Service Ph: 603.227.4569 Email: Lambert@unitil.com Location: Concord, NH		
	Billing, Cash Remittance, Credit and Collections, Monthly reconciliation	Mary Jane Cleveland Manager, Billing and Collections Ph: 603.227.4505 Email: Cleveland@unitil.com Location: Concord, NH		
	Customer communication and relations	Lisa Desrochers Manager, Customer Relations Ph: 603.227.4570 Email: Desrochers@unitil.com Location: Concord, NH		

**Unitil / Northern Utilities
Business Integration**

Area of Responsibility	Primary Functions	Unitil Contact	Northern Utilities Contact	Granite State Contact
Human Resources / Payroll	All	George Long VP, Administration Ph: 603.773.6490 Cell: 603.944.0279 Email: Long@unitil.com Location: Hampton, NH		
	Benefits, Human Resources, Payroll	Betsy Shaw Sr. Human Resources Analyst Ph: 603.773.6492 Email: Shaw@unitil.com Location: Hampton, NH		
Energy Measurement and Control	Dispatching – Monitoring, Nominating & Balancing, Reporting, Supplier Service Billing. Metering – Installation, Reading, Testing, Revenue Protection	Justin Eisfeller Director, Advanced Grid Operations Ph: 603.773.6437 Cell: 603.502.9633 Email: Eisfeller@unitil.com Location: Concord, NH		
Engineering	Regulatory reporting, GIS, CAD, Gas SCADA, Land & Easements, materials	Kevin Sprague Director, Engineering Ph: 603.773.6554 Cell: 603.502.8978 Email: Sprague@unitil.com Location: Hampton, NH		
	Gas System planning and design	Roger Barham Sr. Gas Engineer Ph: 603.773.6488 Email: Barham@unitil.com Location: Hampton, NH		
	Safety	Michael Monroe Safety Compliance Manager Ph: 603.773.6461 Email: Monroe@unitil.com Location: Hampton, NH		

**Unitil / Northern Utilities
Business Integration**

Area of Responsibility	Primary Functions	Unitil Contact	Northern Utilities Contact	Granite State Contact
Gas Operations	Service Department: Appliance Service	Chris LeBlanc Director, Gas Operations Ph: 978.353.3272 Cell: 978.833.1225 Email: LeBlanc@unitil.com Location: Fitchburg, MA		
	Gas Distribution: Damage prevention, leak management and emergency response, critical valves, abandonment of facilities, system patrolling, construction, OQ, O&M & emergency procedures manuals, Hot Tapping, FG clothing & respirator program	Chris LeBlanc Director, Gas Operations Ph: 978.353.3272 Cell: 978.833.1225 Email: LeBlanc@unitil.com Location: Fitchburg, MA		
	Gas Operations and Energy Production: Odorization, pressure regulation & instrumentation, corrosion management, energy production (LNG and LPG), Operations federal and state DOT code compliance	Chris LeBlanc Director, Gas Operations Ph: 978.353.3272 Cell: 978.833.1225 Email: LeBlanc@unitil.com Location: Fitchburg, MA		
	Gas Transmission: O&M & emergency procedures manuals, integrity management, OQ, leak management, damage prevention, pressure regulation, corrosion, construction, critical valves	Chris LeBlanc Director, Gas Operations Ph: 978.353.3272 Cell: 978.833.1225 Email: LeBlanc@unitil.com Location: Fitchburg, MA		

**Unitil / Northern Utilities
Business Integration**

Area of Responsibility	Primary Functions	Unitil Contact	Northern Utilities Contact	Granite State Contact
Gas Operations Support	All	Bob Conner Director, Operations Services Ph: 603.777.3277 Cell: 603.502.1524 Email: Conner@unitil.com Location: Fitchburg, MA		
	Fleet vehicles and transportation, misc. admin support including payroll data entry and budgeting	Leigh Willett Manager, Operations Services Ph: 603.777.5509 Cell: 603.608.9085 Email: Willett1@unitil.com Location: Concord, NH		
	Material Purchasing, Inventory, Plant and Gas Records, Gas Sundry billing for service calls	Peg Van Hillo Manager, Operations Support Ph: 978.353.3203 Cell: 978.833.0150 Email: Vanhillo@unitil.com Location: Fitchburg, MA		
Telecommunications	Phone systems, T-1 lines, cell phones, pagers, call center disaster recovery, phone system switch	Bob Mayo Sr. Technology Development Analyst Ph: 603.773.6482 Email: Mayo@unitil.com Location: Hampton, NH		
Network	Network architecture, hardware, security, software, PC requirements, desktop support, printers, AS400	Lisa Hartford Network Administrator Ph: 603.773.6433 Cell: 603.765.3969 Email: Hartford@unitil.com Location: Hampton, NH		
Software	All Unitil IS applications (WebOps, HTE, Flexi, etc.)	Sean Baker Manager, Software Services Ph: 603.773.6539 Email: Baker@unitil.com Location: Hampton, NH		

**Unitil / Northern Utilities
Business Integration**

Area of Responsibility	Primary Functions	Unitil Contact	Northern Utilities Contact	Granite State Contact
Budget	Capital Budget, O&M Budget	Tressa Northrup Manager, Utility Accounting and Budgeting Ph: 603.773.6522 Email: Northrup@unitil.com Location: Hampton, NH		
Corporate Governance	Board Actions, SEC and State filings, Legal operations	Sandra Whitney Corporate Secretary Ph: 603.773.6561 Email: Whitney@unitil.com Location: Hampton, NH		
Legal		Gary Epler Sr. Attorney Ph: 603.773.6440 Cell: 603.944.1018 Email: Epler@unitil.com Location: Hampton, NH		
Finance	Long Range Forecast, Benchmarking, Financial Forecast, Revenue forecast, Revenue Requirements	Robyn Tafoya Director, Finance Ph: 603.773.6499 Email: Tafoya@unitil.com Location: Hampton, NH		
Corporate Communications (External)	Community Development, Corporate Brand ID, Government Relations, Media Releases, Outreach, Safety info., Website	George Gantz SVP Customer Service and Communications Ph: 603.773.6569 Cell: 508.561.5450 Email: Gantz@unitil.com Location: Hampton, NH		
		Stephanye Schuyler Public Relations Executive Ph: 603.773.6465 Email: Schuyler@unitil.com Location: Hampton, NH		

**Unitil / Northern Utilities
Business Integration**

Area of Responsibility	Primary Functions	Unitil Contact	Northern Utilities Contact	Granite State Contact
Facilities	Building maintenance, HVAC, snow plowing, landscaping	George Long VP, Administration Ph: 603.773.6490 Cell: 603.944.0279 Email: Long@unitil.com Location: Hampton, NH		
Internal Audit and Controls		Chad Dixon Director, Internal Audit and Controls Ph: 603.773.6507 Email: Dixon@unitil.com Location: Hampton, NH		

Unitl Purchase Price Allocation

<u>Line No.</u>		<u>ESTIMATED AT 12/31/07</u>
1	Equity Purchase Price	\$ 160.0
2	Plus: Working Captial Adjustment	37.3
3	Total Projected Purchase Price	197.3
	<u>Allocation to Assets and Liabilities purchased:</u>	
4	Book Value of Net Utility Plant	186.0
5	Current Assets	53.4
6	Other Long Term Assets (Excluding Intangibles)	21.0
7	Less: Accounts Payable	(11.1)
8	Less: Other Current Liabilities	(6.2)
9	Less: Non-Current Liabilities (Excluding Deferred Taxes)	<u>(24.4)</u>
10	Total Assets and Liabilities acquired	218.7
11	Estimated Plant Acquisition Adjustment:	<u>\$ (21.4)</u>