



First Quarter 2013
Earnings Conference Call

Financial and Other Information

April 24, 2013

Safe Harbor Provision



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Our mission is to provide energy for life—safely, reliably, cost-effectively and responsibly—to a growing number of customers with a high-performing workforce

Unitil Overview



- Electric and natural gas utility operations in Maine, New Hampshire and Massachusetts
 - 176,000 total gas and electric customers
- Regulated utility business model
- Growing operations and customers
 - Rate base growth
 - Natural gas system expansion
 - Usource
- Non-regulated energy brokering operations conducted through Usource
- Historic dividend stability
- Experienced management team



Q1 2013 Financial Results



First quarter 2013 net income of \$10.8 million, an increase of \$1.8 million, or 20.0% over the first quarter of 2012

- Results positively affected by colder winter weather in 2013 compared to last year, new customer growth and higher distribution base rates
- Earnings per share in 2013 reflect a higher number of average shares outstanding year-over-year from a ~\$70 million public equity offering completed in May 2012

<i>(Millions except shares outstanding and EPS)</i>	Three Months Ended	
	March 31,	
	2013	2012
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net Income to Common	\$10.8	\$9.0
Weighted-Average Shares Outstanding (000's)	13,750	10,921
Earnings Per Share	\$0.79	\$0.83

Gas Growth Fundamentals



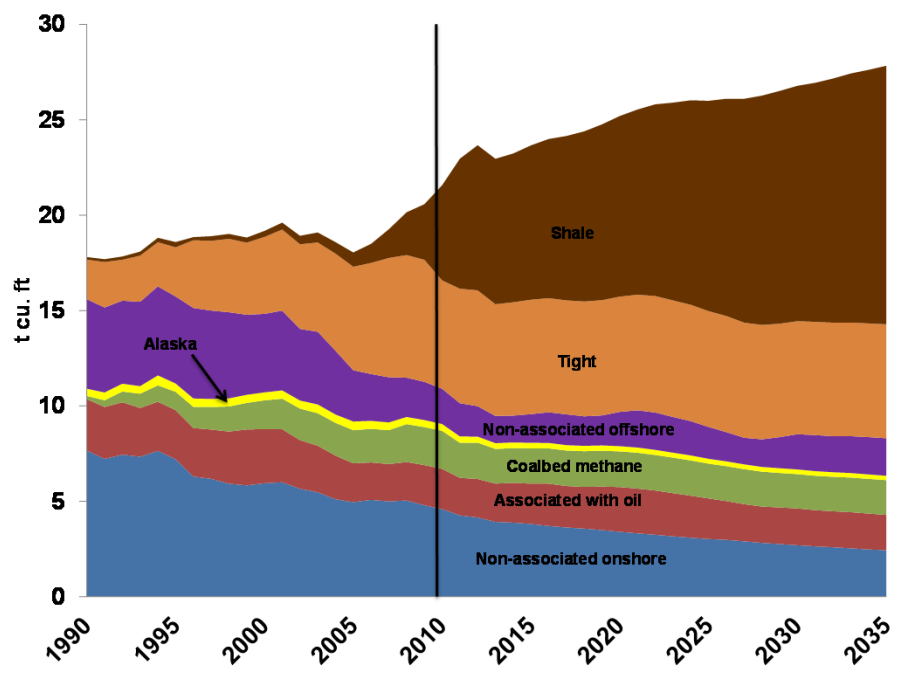
Changing natural gas fundamentals are creating significant opportunities for growth in the local natural gas distribution industry

- Increase in domestic natural gas production driven largely by shale gas resources

On a retail-delivered basis, natural gas is approximately 50% the cost of retail fuel oil

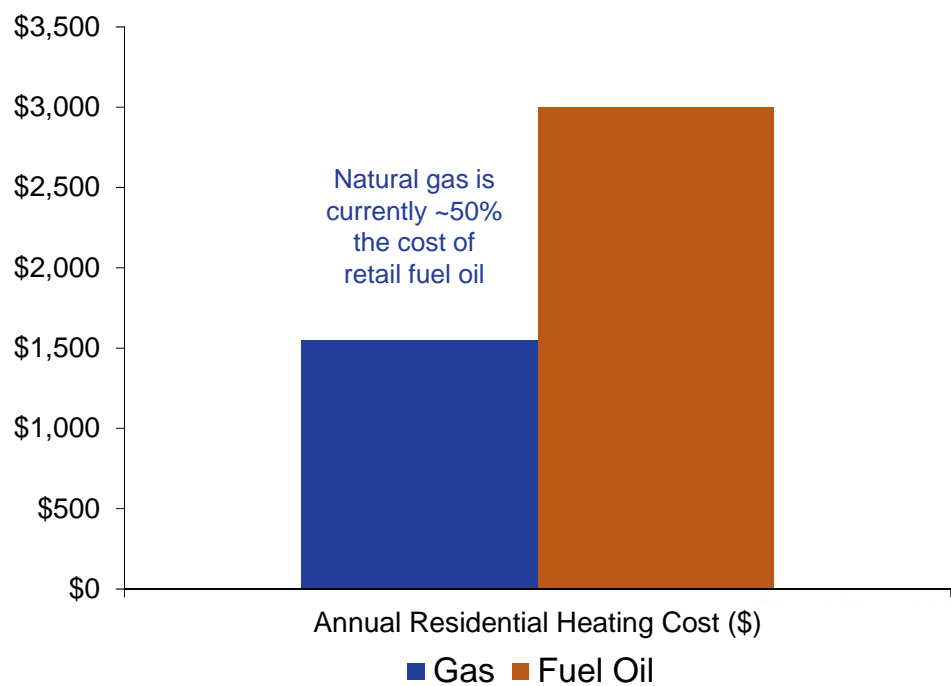
- Typical residential customer saves on average ~\$1,500 / year with natural gas

U.S. Natural Gas Production, 1990-2035



Source: Energy Information Administration

Retail Cost Comparison



Source: Unitil estimates

Gas Growth Market Potential



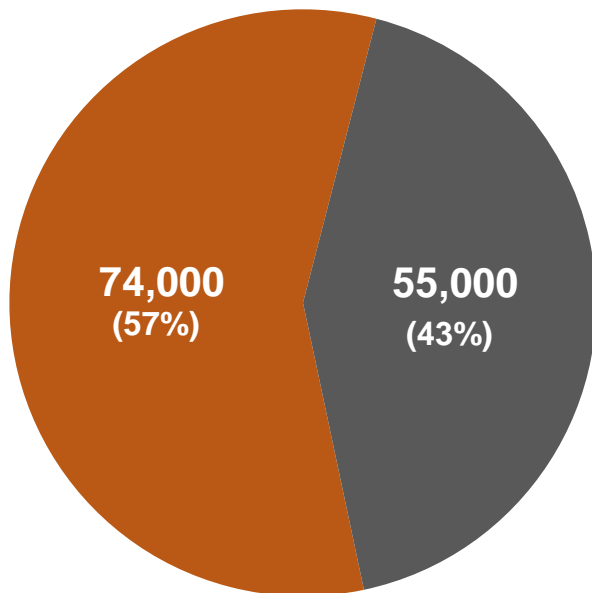
Serving 74,000 total gas customers currently

- Identified 55,000 potential new customers who are “on-the-main”, but not currently taking gas service - (90% residential / 10% C&I)
- Over 250,000 homes and businesses within existing service areas do not have natural gas

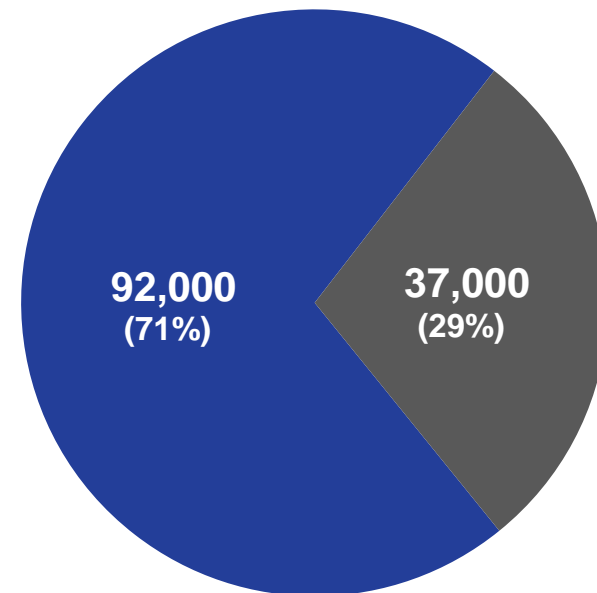
Growth plan target is to serve 92,000 total customers by 2016

- Represents 25% total increase over current customer base

Current On-the-Main Penetration (2012)



Projected On-the-Main Penetration (2016)



■ Current Customers ■ On-the-Main Prospects

■ Projected Customers ■ On-the-Main Prospects

Gas Growth

Customers and Rate Base



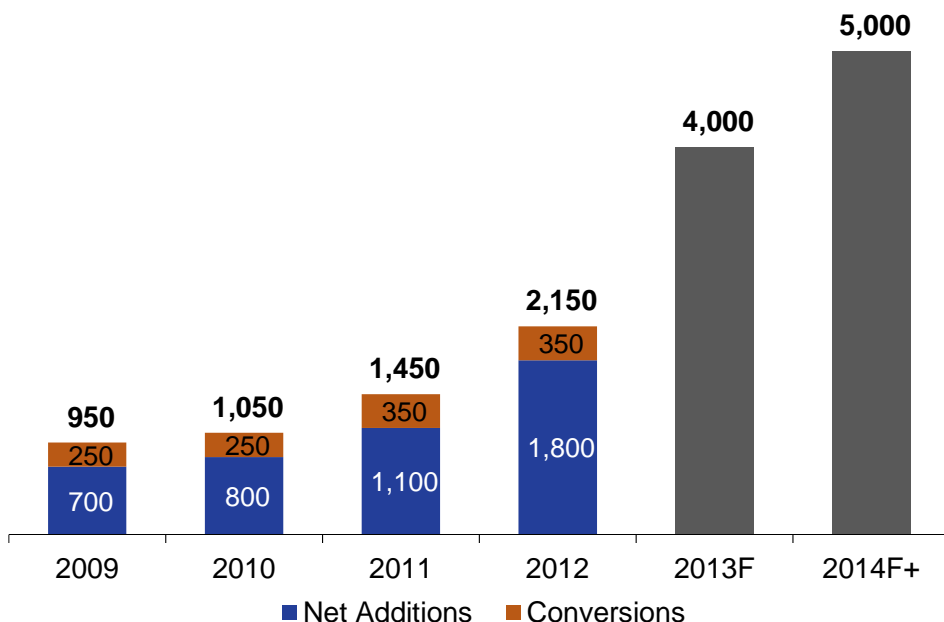
Gas customer additions significantly increasing since 2008 acquisition of Northern Utilities

- Added and converted over 2,000 customers in 2012, up approximately 50% from 2011
- In 2013, plan to target 4,000 customer additions and conversions

Gas rate base historical annual growth rate of 9%

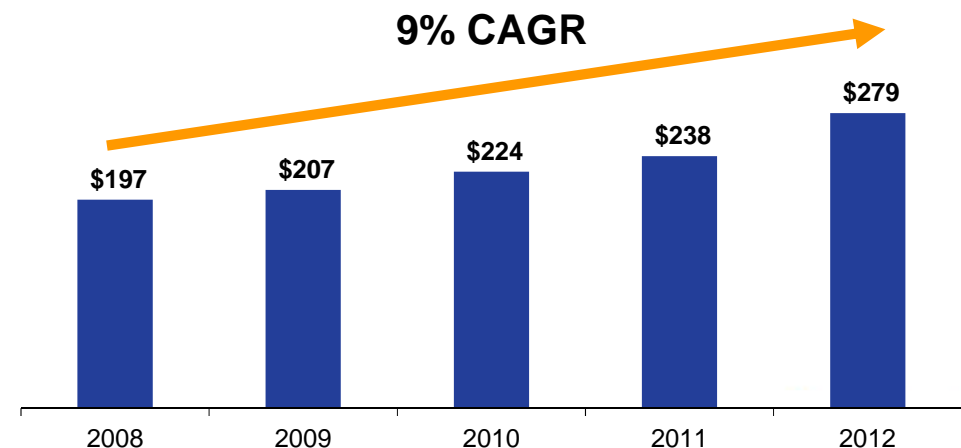
- Driven by customer additions and pipe infrastructure replacement programs
- Expect to double 2008 gas rate base by 2016

Gas Customer Additions & Conversions



Gas Rate Base

(\$ in millions)



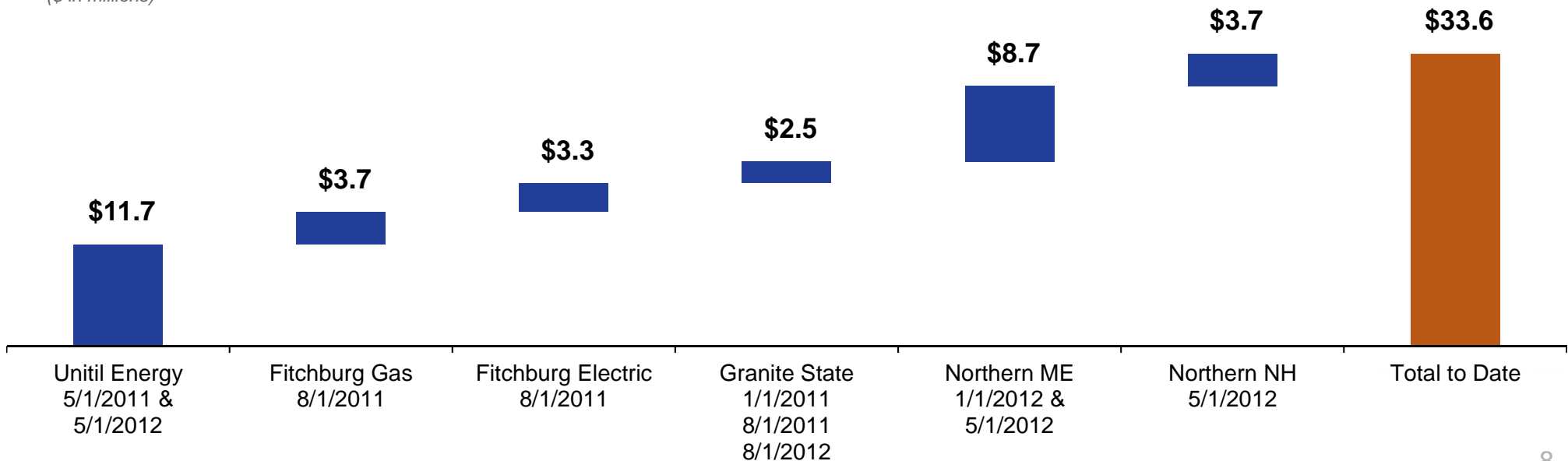
Rate Case History



- Strong regulatory track record – base rate relief to date has increased sales margins over 30%
- Continue to have favorable longer term rate plans including cost tracker mechanisms at Unitil Energy and Granite State resulting in annual step adjustments through 2014
- New gas base rate cases for Northern Utilities were filed in the second quarter of 2013 at both Maine and New Hampshire Divisions
- New electric base rate case filing in Massachusetts for Fitchburg Electric Division expected early in the third quarter of 2013

Strong Track Record of Achieving Base Rate Relief

(\$ in millions)



Usource

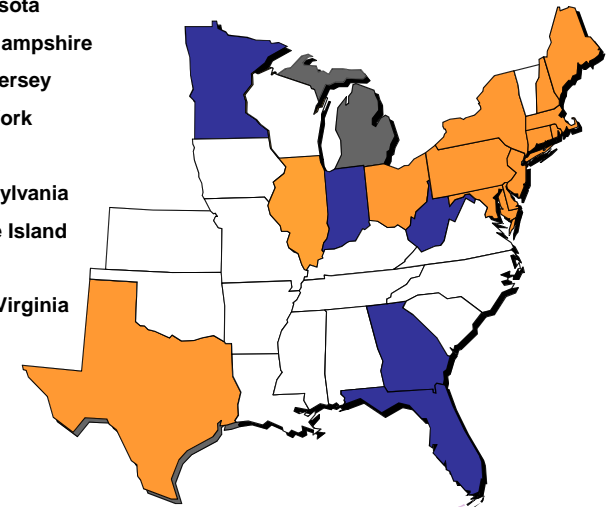


- Manages over \$660 million annually in electric and gas energy contracts
- Serves over 1,200 customers
 - >90% customer retention rate
- Currently serves electricity and/or natural gas clients in 18 states
- Q1 2013 revenue of \$1.5 million
 - Increase of 15% over Q1 2012
- Q1 2013 forward book of revenue at an all-time high of \$9.3 million

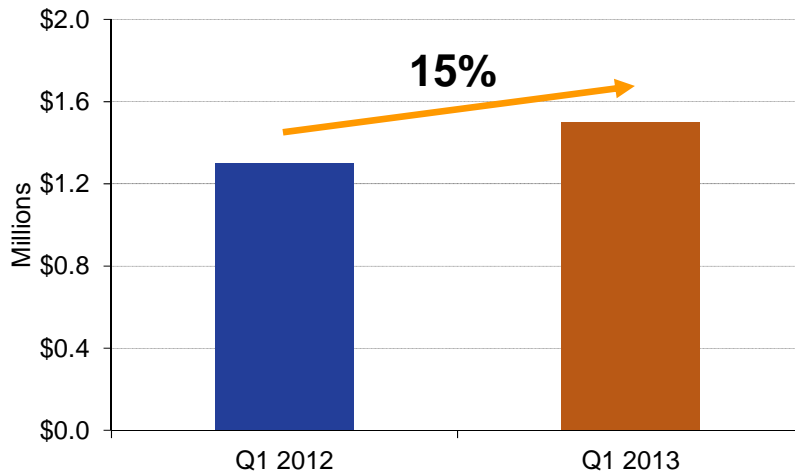
Competitive Energy Markets

- | | |
|---------------|---------------|
| Connecticut | Minnesota |
| Delaware | New Hampshire |
| Florida | New Jersey |
| Georgia | New York |
| Illinois | Ohio |
| Indiana | Pennsylvania |
| Maine | Rhode Island |
| Maryland | Texas |
| Massachusetts | West Virginia |

- Gas & Electric
- Gas only
- Not fully open



Revenue



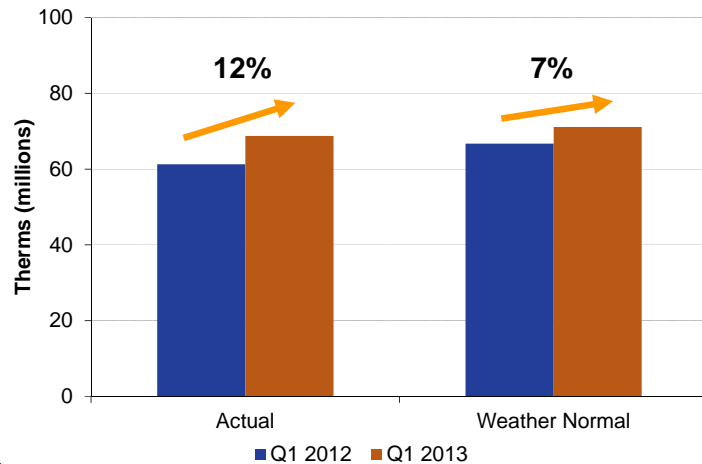
Customers



Gas Unit Sales and Margin



Natural Gas Sales*



*Excludes decoupled gas sales

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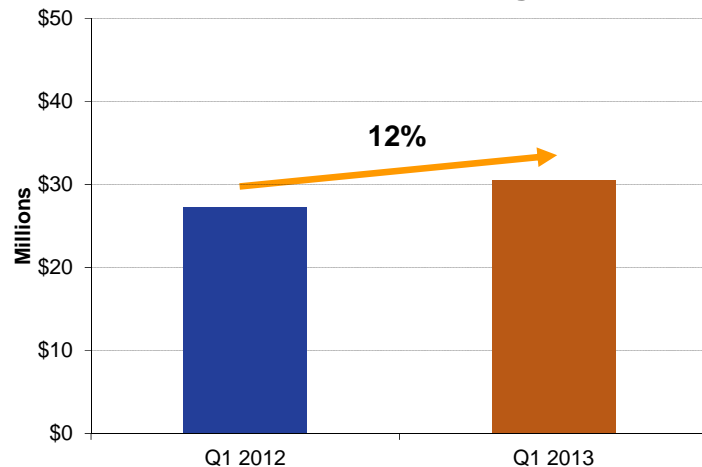


Key Performance Drivers

Unit Sales

- Heating degree days increased 10%
- New customer additions and conversions
- Increased customer usage

Natural Gas Sales Margin



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Key Performance Drivers

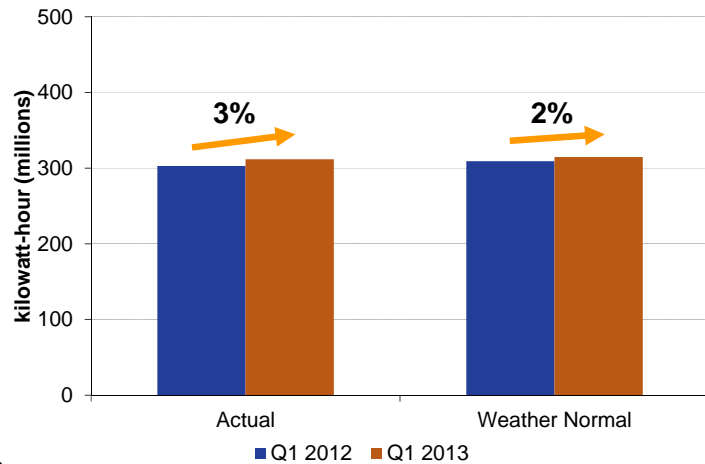
Sales Margin

- Distribution base rate increases
- Higher sales from colder weather, customer additions and increased usage
- Warmer than normal weather negatively impacted earnings by an estimated \$0.03 per share

Electric Unit Sales and Margin



Electric Sales*



*Excludes decoupled electric sales

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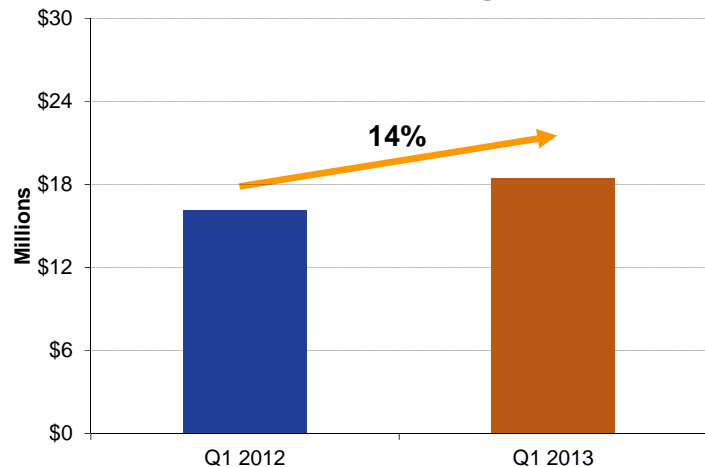
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Key Performance Drivers

Unit Sales

- Heating degree days increased 10%
- Higher customer additions
- Increased customer usage

Electric Sales Margin



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Key Performance Drivers

Sales Margin

- Base rate increases
- Higher sales from colder weather, customer additions and increased usage
- Higher margin of \$1.2 million due to electric reliability programs and major storm cost recovery

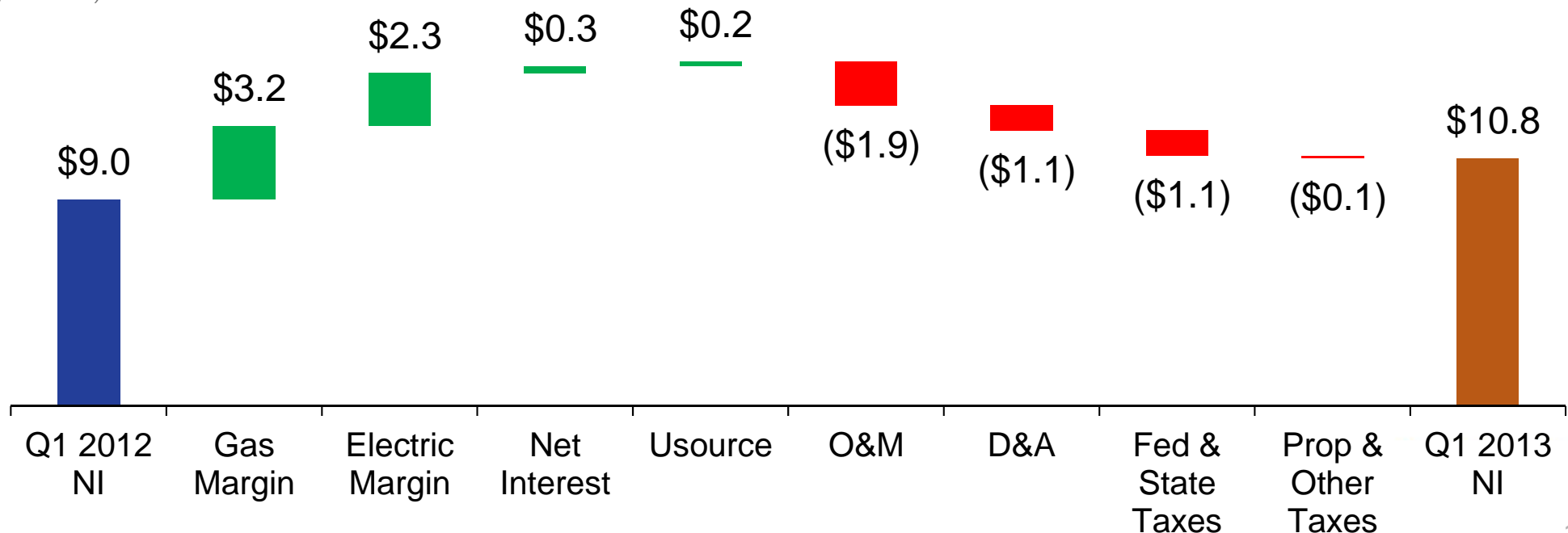
Q1 2013 Variance Analysis



- Gas margin up \$3.2 million or 11.7%
- Electric margin up \$2.3 million or 14.3%
- O&M increase includes \$0.9 million of increased spending on vegetation management and electric reliability enhancement programs which is recovered in electric margin through cost trackers
- D&A increase reflects normal utility plant additions and higher amortization of previously deferred major storm restoration costs of \$0.3 million which is recovered in electric margin through cost trackers
- Decrease in net interest expense reflects lower interest rates and lower borrowing balances

Variance Analysis

(\$ in millions)



Q1 2013 Return on Equity



Subsidiary LTM Q1 2013 Return on Equity

Company	Last Authorized ROE	03/13 Common Equity	03/13 LTM ROE ⁽¹⁾
Unitil Energy	9.67%	\$69.1	8.7%
Fitchburg (Electric)	9.20%		
Fitchburg (Gas)	9.20%	\$65.8	6.6%
Granite State	N/A	\$9.9	10.0%
Northern (New Hampshire)	9.50%		
Northern (Maine)	9.9% ⁽²⁾	\$118.9	5.6%

(1) ROE calculated by dividing last twelve months GAAP Net Income to Common by Common Equity as of March 2013

(2) Implied per final rate case Order

Estimated Future Rate Adjustments

Unitil Energy

- Capital cost tracker in place to recover approximately 80% of annual change in net plant
- Estimated rate adjustments of \$1.5-\$3.0 million annually effective May 1, 2013 and 2014

Granite State

- Capital cost tracker in place to recover major transmission pipeline projects
- Estimated future rate adjustments of ~\$0.5 million annually on August 1, 2013 and 2014

Northern Utilities

- Total of \$9.8 million of rate relief requested in Maine and New Hampshire

Fitchburg (Electric Division)

- Preparing to file rate case 3Q 2013

2013 Rate Case Filings



Total of \$9.8 million of rate relief requested for Northern Utilities

- Both filings include a comprehensive multi-year rate plan with cost tracker

Fitchburg Electric Division rate case to be filed early third quarter 2013

Company	Requested				2013				2014			
	Rate Relief	Rate Base	Percent Equity	ROE	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Northern Utilities (Maine)	\$4.6mm	\$117mm	51.76%	10.00%	~9 mos.				Rates Expected Q1 2014			
Northern Utilities (New Hampshire)	\$5.2mm	\$85mm	51.76%	10.00%	~3 mos.				Temporary Rates Expected Q3 2013			
					~10 mos.				Permanent Rates Expected Q2 2014			
Fitchburg (Electric)	TBD	TBD	TBD	TBD	~10 mos.				Rates Expected Q2 2014			

Key Investment Highlights



- Regulated local distribution utility business model
- Diversified natural gas and electric sales
- Growing operations and customer base
 - Utility rate base growth
 - Natural gas system expansion
 - Usource contribution
- Historic dividend stability
- Experienced management team