

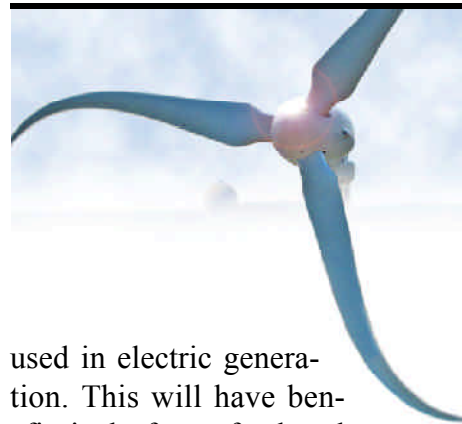
Renewable Portfolio Standards

Encouraging the development of renewable sources for electric generation



A renewable portfolio standard (or RPS) is a program created by law and intended to encourage the development of renewable energy sources for electric generation. The RPS does this by allowing renewable generation projects meeting specific criteria to qualify for special credits (Renewable Energy Certificates or “RECS”), and then by requiring electricity suppliers to purchase a growing percentage of renewable energy or RECs in meeting their energy supply needs.

By putting an RPS in place, the government is requiring all electricity suppliers to buy a portion of their supply from renewable energy sources. In this way, all customers participate in the development of renewable energy, no matter who their supplier is. In the short term, this is expected to increase the retail cost of electricity by a small amount. Over time, as more renewable energy projects are built, they will help to reduce the quantity of fossil fuels



used in electric generation. This will have benefits in the form of reduced environmental emissions, reduced imports of foreign fuels and hopefully lower total energy costs.

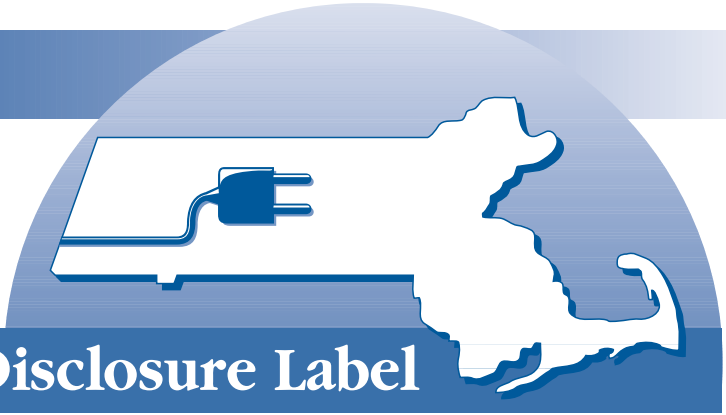
Massachusetts has had an RPS in place since 2003, and New Hampshire’s RPS begins in 2008. A federal RPS bill is now under consideration in Washington. In the most recent report on renewable energy in MA, for the year 2005, the Department of Energy Resources reports that the program is a success, with a 45% increase in renewable generation over the prior year, and that the RPS will “help reduce, over time, the Commonwealth’s dependence on fuel imported from other regions or from overseas, especially increasingly expensive and volatile natural gas suppliers.”

Unitil procures electric energy supply from the wholesale market for its customers that do not have a competitive electricity supplier, and



passes that supply through at cost with no mark-up or profit. Unitil is in full compliance with provisions of the Massachusetts RPS and will begin complying with the New Hampshire RPS effective in 2008. The direct costs of compliance are easy to measure – about 1 to 2 % of total electricity charges – but the overall benefits, either environmental or energy-related, are difficult to quantify.

If you want to know where the electricity Unitil buys comes from, we provide that information as a bill insert to our customers every three months. The latest report is attached ([click here to access](#)), and it shows that the overall level of renewable energy sources – biomass, wind and hydro - in the New England wholesale market today stands at about 9%. As the RPS programs get into full swing in the coming years, this percentage will go up.



The Disclosure Label

Electricity Facts — October 2007

We are pleased to provide you with the latest energy disclosure label for the Standard Offer Service and Basic Service you are currently receiving from Unitil/Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil"). The label is updated quarterly and provides the latest information on pricing, power sources, air emissions and labor for the electricity you are buying.

All licensed electricity suppliers in Massachusetts are required to provide this information in a standard format, so you can make an informed decision if you choose to buy power from a competitive supplier.

On the reverse side, we have provided definitions for the terms used in this label. You will also find phone numbers for the Massachusetts Division of Energy Resources and the Massachusetts Department of Telecommunications and Energy. They can answer your questions and provide you with a list of electricity suppliers licensed to sell electricity in Massachusetts.

If you have more questions about your bill or this energy disclosure label, please call Unitil's Customer Service Center at 1-888-301-7700.

Generation Price

Average unit price in cents per kWh at different levels of use. Prices do not include regulated charges for customer service and delivery.

Average use per month	250 kWh	500 kWh	1000 kWh	2000 kWh
Basic Service				
Residential*	10.425	10.425	10.425	10.425
Small General Service*	10.444	10.444	10.444	10.444
Medium General Service*	11.042	11.042	11.042	11.042
Large General Service*	Market Price	Market Price	Market Price	Market Price

*Fixed Price Option 6/1/07 - 11/30/07

Contract

The prices and terms for **Basic Service** are regulated by the Department of Telecommunications and Energy. The Basic Service rate is based upon a competitive bidding process, but in no case shall exceed the average monthly market price for electricity. Customers may leave this service on their monthly meter read date, provided Unitil receives a minimum of two days notice.

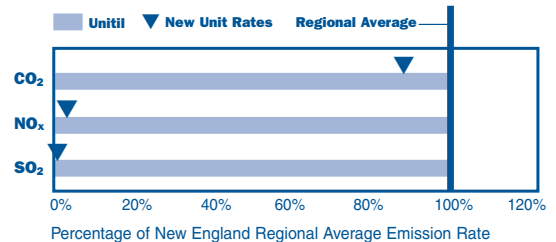
Power Sources

Demand for this electricity product in the period 9/1/06 - 8/31/07 was assigned generation from the following sources:

Power Source	Known Resources	System Power	Total
Biomass	0%	1%	1%
Coal	0%	14%	14%
Hydro	0%	8%	8%
Imports	0%	0%	0%
Municipal Trash	0%	4%	4%
Natural Gas	0%	38%	38%
Nuclear	0%	27%	27%
Oil	0%	8%	8%
Other Renewable	0%	0%	0%
Solar	0%	0%	0%
Wind	0%	0%	0%

Air Emissions

Air emissions relative to New England regional average emissions.



Labor Information

0% of the electricity from Known Resources came from power sources with union contracts with their employees.
 0% of the electricity from Known Resources came from power sources that used replacement labor during labor disputes.
 40% of the electricity from System Power came from power sources with union contracts with their employees.
 0% of the electricity from System Power came from power sources that used replacement labor during labor disputes.

NOTES

- Electricity customers in New England are served by an integrated power grid, not particular generating units. The above information is on the mix of generating units in New England. Unitil procures most of its electricity supply for Basic Service from system power contracts, not from specific generating units.
- You may call Unitil at 1-888-301-7700.

Definitions

Generation Price and Contract:

Generation Prices displayed are representative average prices for electricity at usage levels that are typical for residential customers. Contract items displayed present the length of your contract for generation service, and the price terms included in your contract. See your recent bills to determine average monthly use, and your Terms of Service for additional information.

Power Sources:

The electricity you consume comes from the New England power grid, which receives power from a variety of power plants and transmits the power throughout the region as needed to meet the requirements of all customers in New England. When you choose a power supplier, that supplier is responsible for generating and/or purchasing power that is added to the power grid in an amount equivalent to your electricity use. Known Resources include resources that are owned by, or under contract to, the supplier. System Power represents power purchased in the regional electricity market. Biomass refers to power plants that are fueled by wood or other plant matter. Hydro resources of greater than 30 megawatts in size are deemed "large hydro." All other hydro resources are deemed "small hydro." Other Renewables include fuel cells utilizing renewable fuel sources, landfill gas, and ocean thermal.

Air Emissions:

Emissions for each of the following pollutants are presented as a percent of the regional average emission rate. Triangles represent, for each pollutant, the emission rate from a hypothetical new generation facility.

Carbon Dioxide (CO₂) is released when fossil fuels (e.g., coal, oil and natural gas) are burned. Carbon dioxide, a greenhouse gas, is a major contributor to global warming.

Nitrogen Oxide (NO_x) forms when fossil fuels and biomass are burned at high temperatures. NO_x contributes to acid rain and ground-level ozone (or smog), and may cause respiratory illness in children with frequent high-level exposure. NO_x also contributes to oxygen deprivation of lakes and coastal waters, which is destructive to fish and other animal life.

Sulfur Dioxide (SO₂) is formed when fuels containing sulfur are burned, primarily coal and oil. Major health effects associated with SO₂ include asthma, respiratory illness and aggravation of existing cardiovascular disease. SO₂ combines with water and oxygen in the atmosphere to form acid rain, which raises the acid level of lakes and streams, and accelerates the decay of buildings and monuments.

Labor Data:

The information on this label regarding whether generators or suppliers operate under collective bargaining agreements is provided to inform you about whether the energy was produced in plants where employee wages and working conditions are mutually determined by employees and management, and protected by union contracts. The information on this label regarding the use of replacement employees during a labor dispute is provided to inform you of whether or not a generator or supplier during a strike by or lock-out of its employees has replaced them with other workers.

For Further Information Contact:

Unitil:

website: <http://www.unitil.com>

1-888-301-7700

Massachusetts Department of Public Utilities

Consumer Division:

website: <http://www.magnet.state.ma.us/dpu/>

1-800-392-6066

