Unitil

May 5, 2021

BY E-MAIL

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit St, Suite 10
Concord, N.H. 03301-2429

Re: DE 21-030 - Unitil Energy Systems, Inc. – Withdrawal of Motion for Confidential Treatment (Exhibits Unitil-TRD-9 and Unitil-TRD-10)

Dear Director Howland:

On April 2, 2021, Unitil Energy Systems, Inc. ("UES" or the "Company") submitted to the New Hampshire Public Utilities Commission ("the Commission") a filing in support of its request for a rate increase. Included with the Company's filing was a Motion for Protective Order and Confidential Treatment (the "Motion") in connection with Schedules Unitil-TRD-9 and Unitil-TRD-10, as well as Certain Company Officers' Compensation contained in the Volume of Supplemental Filing Requirements pursuant to N.H. Code of Administrative Rules Puc 1604.01(a)(14).

UES hereby withdraws the Motion only as it pertains to Schedules Unitil-TRD-9 and Unitil-TRD-10. The Company does so without prejudice and without waiving its rights to seek a protective order and confidential treatment in connection with similar reports in the future. Public copies of Schedules Unitil-TRD-9 and Unitil-TRD-10 are enclosed with this letter.

The Company does not withdraw the Motion as it pertains to Supplemental Filing Requirement Puc 1604.01(a)(14). At the Prehearing Conference on April 22, 2021, UES agreed to submit a revised version of Supplemental Filing Requirement Puc 1604.01(a)(14) Attachment 1 that included aggregate compensation for UES officers. A redacted version of the revised document is enclosed with this letter. UES will separately provide a confidential version of the document to counsel for Commission Staff and the Office of the Public Advocate.

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Thank you for your attention to this matter. Please do not hesitate to contact me directly if you have any questions or concerns.

Sincerely,

Patrick H. Taylor

cc: Service List

S&P Global
Ratings

Research

Unitil Corp.

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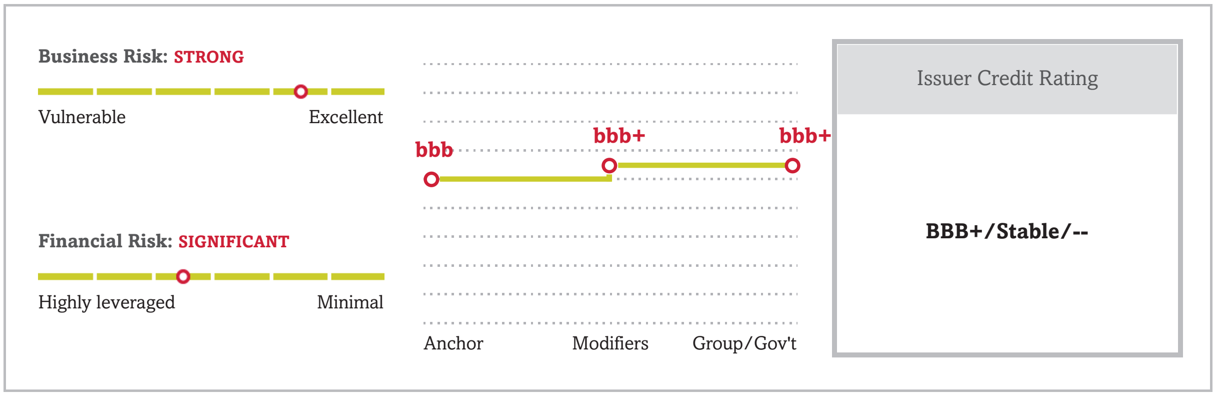
Table Of Contents

Unitil Corp.



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.	High customer bills in Massachusetts limit rate recovery.
Increasing capital spending to support gas system growth and electric distribution system modernization.	Discretionary cash flow that, when negative, will necessitate external funding.

Earned returns on equity (ROE) in Massachusetts could increase following constructive gas and electric rate settlements. Unitil Corp.-subsidiary, Fitchburg Gas & Electric Co. (FG&E), has historically under-earned as compared to its approved ROEs in Massachusetts, primarily because of regulatory lag. However, in early 2020, FG&E reached constructive rate settlements for both its gas and electric utility operations. On the electric side, state stakeholders agreed to an increase in its current electric capital tracker investment recovery cap to $11 million from $5 million and the recovery of storm-related costs through a storm-related rider, to name a few. While high customer bills in the state limit the size of rate increases, we believe these pre-approved mechanisms could benefit cash flows going forward and lead to higher earned ROEs in the state.

Financial materiality associated with Unitil's long-term contractual agreement with Vineyard Wind LLC is limited. As per MA statute, FG&A along with its electric distribution peers are obligated to purchase power from Vineyard Wind over a 20-year power purchase agreement. However, to limit its financial implications and to compensate the distribution companies for accepting any financial obligation of the long-term contract, the MA Department of Public Utilities (MDPU) approved annual remuneration equal to 2.75% of the annual contractual payments under the contract. This is in addition to a make-whole rider, as the companies will sell into the market any power obtained from the contract.

Unitil's five-year capital spending program will increase about 25% compared with the previous five years. Unitil is deploying about $680 million in capital through 2024 to support gas system growth and electric distribution system modernization. These investments will increase rate base and drive rate relief over the same period.

Outlook: Stable

The stable outlook on Unitil 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 expand its regulated electric and gas distribution operations. Under our base-case scenario, we expect Unitil's core ratios to be around the midpoint of the financial risk profile, with adjusted funds from operations (FFO) to debt in the 17%-18% range.

Downside scenario

We could lower the rating if financial measures weakened below our expectations such that adjusted FFO to debt remains below 16% given the narrow focus and small scale of the company. The weakened financial measures could occur if the company does not receive sufficient and timely cost recovery through the regulatory process, if sales volumes decline significantly, or if there are additional material costs associated with operating as a stand-alone business. Also, we could lower the rating if the utility changes its current utility strategy and materially expands its non-utility operations.

Upside scenario

We could raise the rating if the company maintains its focus around expanding its utility operations in a manner that leads to higher financial measures, such that adjusted FFO to debt is consistently above 23%. This could occur through higher cash flow generation resulting from higher sales and/or lower operating costs, if the company receives greater cost recovery than expected through the regulatory process, or although unlikely, through debt reduction.

Our Base-Case Scenario

Assumptions

- Gross margin growth of about 5% on average per year through 2020 driven by ongoing capital recovery and gas and electric volume growth;
- Annual capital spending of roughly $100 million over the next few years;
- Lower financing costs as the company refinances higher cost debt; and
- Dividend payout ratio to remain in line with historical levels.

Key Metrics

	2019A	2020E	2021E
FFO to debt (%)	16.3	17-18	17-18
FFO cash interest coverage (x)	5.1	5-5.5	5-5.5
Debt to EBITDA (x)	4.6	4.5-5	4-4.5

A--Actual. E--Estimate. FFO--Funds from operations.

Company Description

Unitil is a holding company of three regulated electric and natural gas distribution utilities serving around 190,000 customers in Massachusetts, Maine, and New Hampshire--FG&E, Northern Utilities Inc., and Unitil Energy Systems Inc. Together, these regulated subsidiaries contribute more than 90% of consolidated revenues.

Unitil also operates a FERC-regulated gas transmission pipeline, Granite State Gas Transmission Inc., that provides predominantly Northern Utilities (more than 80% of revenues) and other third-party suppliers with access to domestic and Canadian natural gas.

Business Risk: Strong

Our assessment of Unitil's business risk reflects its lower-risk, rate-regulated electric and natural gas distribution operations that provide essential services. The company operates under a generally constructive regulatory framework in supportive jurisdictions that provides for the company to recover costs, including capital spending, through annual adjustments, multi-year rate plans, and capital tracker mechanisms. Unitil also benefits from electric and natural gas decoupling in Massachusetts. Although Unitil serves only around 190,000 customers, the company's expansion projects provide new opportunities to grow its customer base over the next few years.

Serving primarily the natural gas needs of affiliate utility Northern Utilities, we assess Granite State's business risk as somewhat less risky compared with other transmission pipelines exposed primarily to third-party marketers.

Peer comparison

Table 1

Unitil Corp. -- Peer Comparison

Industry Sector: Combo				
	Unitil Corp.	**Central Maine Power Co.**	**Central Hudson Gas & Electric Corp.**	**New York State Electric & Gas Corp.**
Ratings as of March 24, 2020	BBB+/Stable/--	A/Stable/A-1	A-/Stable/NR	A-/Stable/A-2
	--Fiscal year ended Dec. 31, 2019--	**--Fiscal year ended Dec. 31, 2018--**	**--Fiscal year ended Dec. 31, 2018--**	**--Fiscal year ended Dec. 31, 2018--**
(Mil. $)				
Revenue	438.2	847.8	724.6	1,694.3
EBITDA	128.8	353.4	157.2	381.9
Funds from operations (FFO)	103.7	313.4	130.5	319.6
Interest expense	27.2	60.1	32.5	71.2
Cash interest paid	24.3	48.7	26.7	40.6
Cash flow from operations	106.1	215.5	129.1	408.2
Capital expenditure	119.2	240.7	187.9	522.3
Free operating cash flow (FOCF)	(13.1)	(25.3)	(58.8)	(114.1)

Table 1

Unitil Corp. -- Peer Comparison (cont.)				
Discretionary cash flow (DCF)	(35.2)	(100.3)	(58.8)	(114.1)
Cash and short-term investments	5.2	16.1	39.3	4.9
Debt	620.6	1,237.1	659.1	1,481.3
Equity	376.8	1,917.1	696.3	1,453.9
Adjusted ratios				
EBITDA margin (%)	29.4	41.7	21.7	22.5
Return on capital (%)	7.9	8.2	8.3	8.9
EBITDA interest coverage (x)	4.7	5.9	4.8	5.4
FFO cash interest coverage (x)	5.3	7.4	5.9	8.9
Debt/EBITDA (x)	4.8	3.5	4.2	3.9
FFO/debt (%)	16.7	25.3	19.8	21.6
Cash flow from operations/debt (%)	17.1	17.4	19.6	27.6
FOCF/debt (%)	(2.1)	(2.0)	(8.9)	(7.7)
DCF/debt (%)	(5.7)	(8.1)	(8.9)	(7.7)

Financial Risk: Significant

Our base-case scenario forecast includes adjusted FFO to debt in the 17%-18% range, around the midpoint of the benchmark range. Cash flow from regulated utility operations consistently supports FFO because the company recovers capital investment on a timely basis through base rates and rate surcharges. The supplemental ratio of adjusted FFO cash interest coverage supports this determination because in our base-case scenario we expect the measure to average about 5x. We expect debt leverage, as measured by adjusted debt to EBITDA, to be between 4.0x and 4.5x.

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

Financial summary

Table 2

Unitil Corp. -- Financial Summary				
Industry Sector: Combo				
	--Fiscal year ended Dec. 31--			
	2019	**2018**	**2017**	**2016**
(Mil. $)				
Revenue	438.2	444.1	406.2	383.4
EBITDA	128.8	125.1	130.6	124.0
Funds from operations (FFO)	103.7	99.8	107.4	100.0

Table 2

Unitil Corp. -- Financial Summary (cont.)

Industry Sector: Combo	--Fiscal year ended Dec. 31--			
	2019	2018	2017	2016
Interest expense	27.2	26.9	27.5	25.0
Cash interest paid	24.3	24.9	23.2	22.3
Cash flow from operations	106.1	79.6	87.3	69.4
Capital expenditure	119.2	102.4	119.3	98.1
Free operating cash flow (FOCF)	(13.1)	(22.8)	(32.0)	(28.7)
Discretionary cash flow (DCF)	(35.2)	(44.6)	(52.4)	(48.7)
Cash and short-term investments	5.2	7.8	8.9	5.8
Gross available cash	5.2	7.8	8.9	5.8
Debt	620.6	572.2	551.7	500.8
Equity	376.8	351.3	336.8	293.1
Adjusted ratios				
EBITDA margin (%)	29.4	28.2	32.2	32.3
Return on capital (%)	7.9	8.1	9.9	9.9
EBITDA interest coverage (x)	4.7	4.6	4.8	5.0
FFO cash interest coverage (x)	5.3	5.0	5.6	5.5
Debt/EBITDA (x)	4.8	4.6	4.2	4.0
FFO/debt (%)	16.7	17.4	19.5	20.0
Cash flow from operations/debt (%)	17.1	13.9	15.8	13.9
FOCF/debt (%)	(2.1)	(4.0)	(5.8)	(5.7)
DCF/debt (%)	(5.7)	(7.8)	(9.5)	(9.7)

Liquidity: Adequate

We assess Unitil's liquidity as adequate because the company's sources are likely to cover its uses by more than 1.1x over the next 12 months, even if EBITDA declines by 10%. The company has the likely ability to absorb high-impact, low-probability events without refinancing, has well-established and sound relationships with banks, a generally satisfactory standing in credit markets, and generally prudent risk management.

Principal Liquidity Sources	Principal Liquidity Uses
• Cash and liquid investments of about $10 million; • Cash FFO of about $100 million; and • Revolving credit facility availability of about $60 million.	• Maintenance capital spending of about $100 million; • Debt maturities of about $20 million; and • Dividends of about $25 million.

Other Credit Considerations

Our ratings on Unitil include a comparable ratings analysis modifier that is considered positive to reflect our view that the company's business risk profile is at the upper end of our assessment based on its lower-risk electric and gas distribution operations.

Environmental, Social, And Governance

Within its electric utility business, Unitil's environmental risk is somewhat lower as the company serves its customers predominantly through electricity from the New England wholesale market, mitigating exposure from compliance-related costs if it owned fossil-fuel-based generation. Within its natural gas operations, vintage gas infrastructure or changes in soil integrity can lead to leaks, potentially inciting an occasional safety incident. Further enhancing the importance of this factor is that although some social risks may not directly affect credit quality, they can influence the regulatory relationship, which would affect credit quality.

Group Influence

Under our group rating methodology, we assess Unitil as the parent of a group. Fitchburg Gas & Electric Light Co., Northern Utilities Inc., Unitil Energy Systems Inc., and Granite State Gas Transmission Inc. are core members to the Unitil group. Unitil's group credit profile is 'bbb+', leading to an issuer credit rating of 'BBB+'.

Reconciliation

Table 3

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

	--Fiscal year ended Dec. 31, 2019--						
Unitil Corp. reported amounts							
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**S&P Global Ratings' adjusted EBITDA**	**Cash flow from operations**
	515.6	376.6	125.1	73.1	26.6	128.8	104.9
S&P Global Ratings' adjustments							
Cash taxes paid	--	--	--	--	--	-0.8	--
Cash taxes paid: Other	--	--	--	--	--	--	--
Cash interest paid	--	--	--	--	--	-24.1	--
Reported lease liabilities	4.5	--	--	--	--	--	--
Operating leases	--	--	1.4	0.2	0.2	-0.2	1.2

Table 3

Reconciliation Of Unitil Corp. Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. $) (cont.)

Postretirement benefit obligations/deferred compensation	112.6	--	--	--	0.4	--	--
Accessible cash and liquid investments	-5.2	--	--	--	--	--	--
Share-based compensation expense	--	--	2.3	--	--	--	--
Nonoperating income (expense)	--	--	--	2.7	--	--	--
Noncontrolling interest/minority interest	--	0.2	--	--	--	--	--
Debt: Other	-6.9	--	--	--	--	--	--
Total adjustments	105	0.2	3.7	2.9	0.6	-25.1	1.2

S&P Global Ratings' adjusted amounts

	Debt	Equity	EBITDA	EBIT	Interest expense	Funds from operations	Cash flow from operations
	620.6	376.8	128.8	76	27.2	103.7	106.1

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/--

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Satisfactory

Financial risk: Significant

- **Cash flow/leverage:** Significant

Anchor: bbb

Modifiers

- **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:** Positive (+1 notch)

Stand-alone credit profile : bbb+

- **Group credit profile:** bbb+

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	**bbb**	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of March 25, 2020)*	
Unitil Corporation	
Issuer Credit Rating	BBB+/Stable/--
Issuer Credit Ratings History	
23-Dec-2014	BBB+/Stable/--
Related Entities	
Fitchburg Gas and Electric Light Co.	
Issuer Credit Rating	BBB+/Stable/--

Ratings Detail (As Of March 25, 2020)*(cont.)	
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
9 July 2020

Update

Rate this Research

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.

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Unitil Corporation

Update to credit analysis

Summary

Unitil Corporation's (Unitil) credit profile reflects the low business risk of its regulated utility operations in credit supportive jurisdictions in the greater New England region. Unitil's business consists primarily of regulated electric transmission and distribution (T&D) utilities and natural gas local distribution companies (LDCs). The credit also considers structural subordination of Unitil's parent level debt compared to that of its operating subsidiaries. Unitil's holding company long-term debt as a percentage of total consolidated long-term debt was approximately 18% as of 31 March 2020 and is not likely to increase materially. The organization exhibits a stable financial profile, with a consistent ratio of consolidated CFO pre-WC to debt in the mid teens.

Similarly, 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 or gas LDCs operating in the credit supportive regulatory jurisdictions of Massachusetts, New Hampshire and Maine. UES, FGE and NU benefit from several investment cost recovery and revenue decoupling mechanisms that allow the utilities to generate financial metrics that support their credit quality. We expect each utility's financial profile to remain stable such that UES, FGE and NU's ratios of CFO pre-WC to debt will be sustained in the mid to high teens.

Granite State Gas Transmission, Inc.'s (GSGT, Baa2 stable) credit reflects its small size relative to other FERC regulated gas pipelines and adequate financial metrics. GSGT operates mostly in and around NU's service territory in northern New England and the credit reflects the pipeline's contracted cash flow, of which 70% is with NU. The remainder is with mostly unrated utilities and third-party gas marketing suppliers that serve a high demand region. GSGT has limited competition and exhibits a stable financial profile including an FFO to debt ratio in the high teens range.

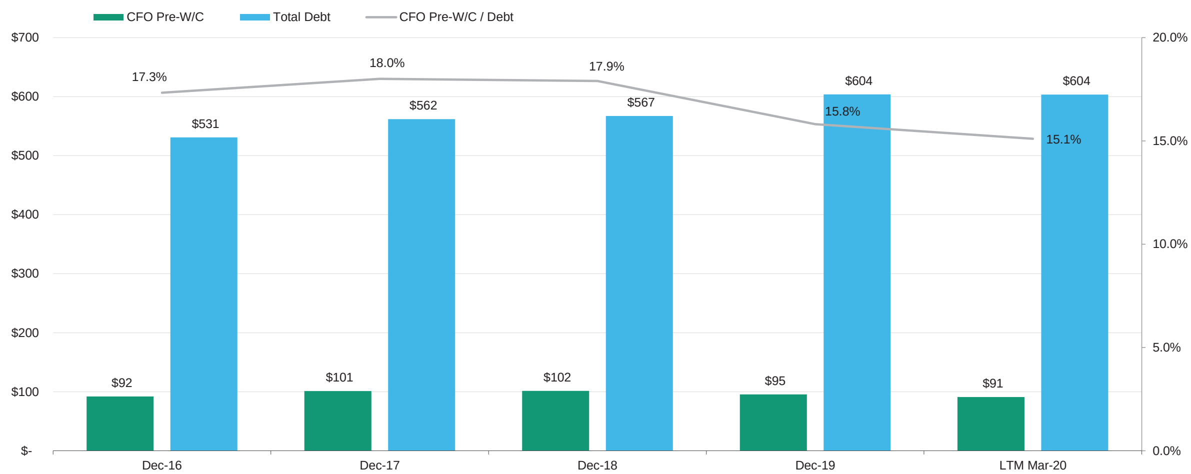
COVID-19 Developments

The rapid spread of the coronavirus outbreak, severe global economic shock, low oil prices and asset price volatility are creating a severe and extensive credit shock across many sectors, regions and markets. The combined credit effects of these developments are unprecedented. We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety.

We expect Unitil and its subsidiaries to be resilient to recessionary pressures related to the coronavirus because of its primary rate regulated, essential service business model and cost recovery framework. Nevertheless, we are watching for electric usage declines, utility bill payment delinquency and the regulatory response to counter these effects on earnings and cash flow. As events related to the coronavirus unfold, we are taking into consideration a wider range of potential outcomes, including more severe downside scenarios. The effects of the pandemic could result in financial metrics that are weaker than expected; however, we see these issues as temporary and not reflective of the core operations or long-term financial or credit profile of the company.

Exhibit

Unitil Corp. 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 with no unregulated business exposure

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

» Credit supportive regulatory jurisdictions

Credit Challenges

» Small size and scale

» Material exposure to commercial and industrial customers

Rating Outlook

Unitil's stable outlook reflects our expectation the company will continue to operate as a low-risk regulated utility holding company and maintain sound financial metrics, including a ratio of CFO pre-WC to debt in the mid to high teens. The stable outlook further incorporates no additional parent level debt in the medium-term.

The stable rating outlooks for Unitil's regulated utility subsidiaries, UES, FGE, NU and GSGT consider their consistent and predictable financial performance, which we expect will continue over the next several years and their credit supportive regulatory jurisdictions.

Factors that Could Lead to an Upgrade

Unitil's rating could be upgraded if the rating of its largest subsidiaries were to be upgraded or if consolidated CFO pre-WC to debt increased to above 20% on a consistent basis.

UES, FGE and NU's ratings could be upgraded if their respective regulatory jurisdictions become more credit supportive through increased use of reconciling cost and investment recovery mechanisms (e.g.,decoupling, forward test years, formula rates). The ratings could also be upgraded if CFO pre-WC to debt increased to 25% on a sustained basis.

GSGT's rating could be upgraded if there is an improvement in its financial metrics such that its ratio of FFO to debt sustained above 20%.

Factors that Could Lead to a Downgrade

Unitil's rating could be downgraded if the ratings of any of its largest subsidiaries are downgraded. A rating downgrade could also occur if Unitil's consolidated financial metrics deteriorated, such that its ratio of consolidated CFO pre-WC to debt declined below 14% on a sustained basis or if holding company debt as a percentage of consolidated debt increased to the mid-20% range.

UES, FGE and NU's ratings could be downgraded if their respective regulatory jurisdictions become less credit supportive or if their financial metrics deteriorated such that the ratio of CFO pre-WC to debt declined below 17% on a sustained basis.

GSGT's rating could be downgraded if there is a sustained deterioration in its financial performance, such that FFO to debt ratio declines below 12%. The rating could also be downgraded if there is a material deterioration in the credit quality of either the pipeline's shippers or Unitil.

Key Indicators

Exhibit 2
Unitil Corporation [1]

	Dec-16	Dec-17	Dec-18	Dec-19	LTM Mar-20
CFO Pre-W/C + Interest / Interest	4.6x	4.6x	4.4x	4.3x	4.1x
CFO Pre-W/C / Debt	17.3%	18.0%	17.9%	15.8%	15.1%
CFO Pre-W/C – Dividends / Debt	13.6%	14.4%	14.1%	12.1%	11.4%
Debt / Capitalization	59.4%	58.8%	56.3%	56.3%	55.5%

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

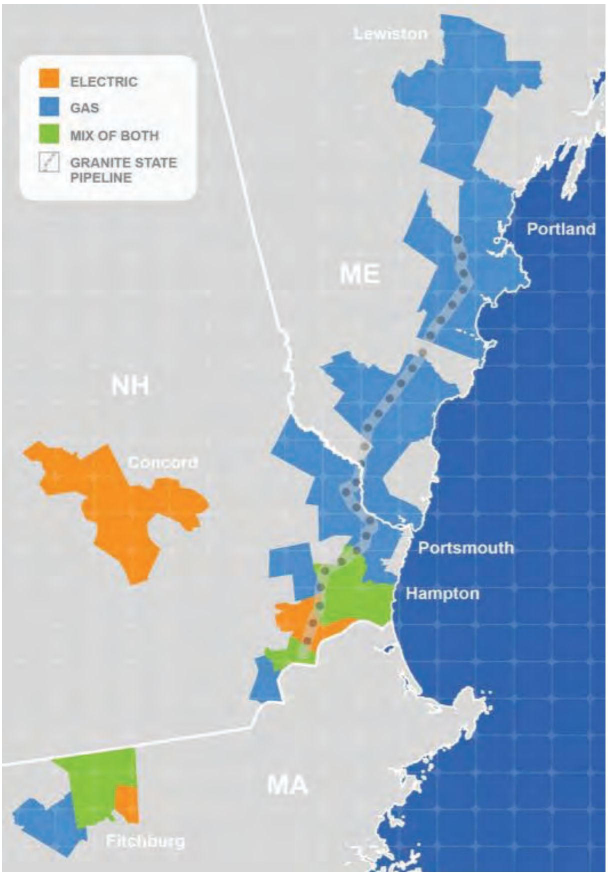
Profile

Headquartered in Hampton, New Hampshire, Unitil Corporation is a utility holding company that serves over 190,040 electric and gas customers in the greater northern New England region. Unitil's regulated utility subsidiaries include Unitil Energy Systems, Inc., an electric T&D that serves over 76,500 customers in New Hampshire; Fitchburg Gas & Electric Light Company, a gas and electric distribution company that serves approximately 45,000 customers in Massachusetts; Northern Utilities, Inc., a natural gas local distribution company (LDC) that serves over 66,000 customers in New Hampshire and Maine; and Granite State Gas Transmission, Inc., 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 $1.4 billion in assets as of 31 March 2020 and $417 million in revenue for the LTM 31 March 2020.

In March 2019, Unitil divested its only non-regulated business subsidiary Usource, an energy brokering and advisory company, which accounted for a minimal 1.0% of total operating revenue. Proceeds from the sale, an after-tax net gain of $9.8 million, were used to fund capital spending and equity infusions to NU and FGE. With the divestiture of Usource, Unitil's operations are now fully regulated, a credit positive.

Exhibit 3
Unitil's Service Territory



Source: Company Filings

Detailed Credit Considerations

Low business risk utilities with modest exposure to C&I customers

Unitil's credit profile reflects the structural subordination of the holding company debtholders relative to the indebtedness of its operating utilities. Unitil's credit profile also incorporates the benefits associated with the regulatory and geographic diversification from owning four regulated utilities within the greater New England region.

Three of the four regulated utilities, UES, FGE and NU, are rated Baa1. The fourth regulated utility, a natural gas pipeline, GSGT, is rated Baa2. Unitil's holding company level debt of $80 million represented approximately 18% of the group's consolidated indebtedness. If parent level debt exceeds approximately 25% of consolidated indebtedness, it can lead to a wider differential between the credit quality of the parent and its operating subsidiaries. However, we do not expect additional parent level debt over the next several years.

Unitil's corporate family of low-risk regulated utilities includes electric T&D's, natural gas LDCs and a FERC regulated natural gas pipeline. The majority of consolidated revenue is derived from utility services while a smaller 2% of revenue is from natural gas transportation services. As shown in Exhibit 2, UES and NU are the largest of the four subsidiaries, which combined produce about 75% of total revenue.

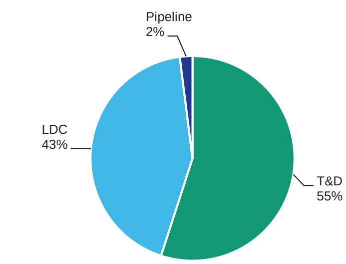
Exhibit 4
Unitil corporate family financial summary
($mm)

Utility	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	$417	100%	$80	18%	$1,376	100%
Unitil Energy Systems, Inc.	T&D	NH	$158	38%	$83	18%	$353	26%
Fitchburg Gas & Electric Light	T&D/LDC	MA	$105	25%	$80	18%	$372	27%
Northern Utilities, Inc	LDC	NH & ME	$151	36%	$190	42%	$592	43%
Granite State Gas Transmission, Inc.	Pipeline	NH & ME	$7	2%	$15	3%	$43	3%

Financials as of LTM Q120
Source: Unitil Corp. Filings

When considering a breakdown by segment, Exhibit 5 shows that about 55% of Unitil's revenue is generated by its electric T&D utilities, of which UES makes up close to 70% with FGE the remaining 30%. The LDC segment generates 43% of Unitil's revenue where 80% is derived from NU and the remaining 20% from FGE.

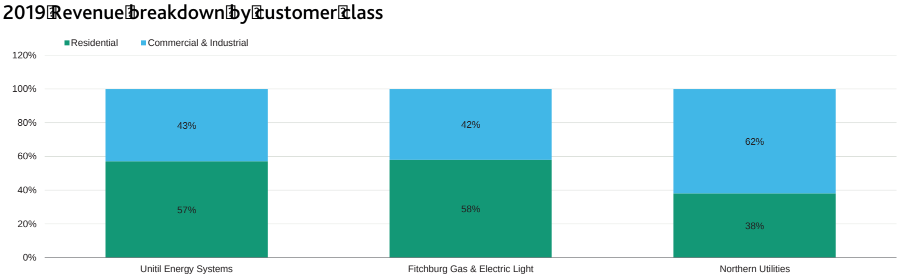
Exhibit 5
Unitil revenue breakdown by segment



Source: Unitil Corp. Filings

Unitil's material exposure to commercial and industrial (C&I) customers, which account for about 50% of annual revenue, does detract modestly from its low business risk profile (see Exhibit 6). Given the cyclical nature of C&I customer demand, they typically add more volatility to sales volume especially during economic downturns. This volatility can be mitigated with revenue decoupling mechanisms, which are currently only available to FGE in Massachusetts. In the absence of decoupling mechanisms, lower than anticipated volumes can have a negative impact on Unitil's subsidiaries' cash flow. NU has the highest exposure as over 60% of its revenue are from C&I customers, a credit negative.

Exhibit 6
2019 Revenue breakdown by customer class



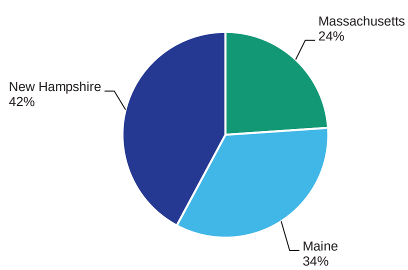
Source: Unitil Corp. Filings

We do not anticipate a material impact from the economic slowdown caused by COVID-19. Similar to other states, the New England region shut down economic activity mid-March 2020 and began reopening in phases. Management reports a modest load loss in commercial customers offset by a sales increase in the residential customer class. Favorably, all regulators have requested data related to COVID-19 costs to consider recovery in future rate case proceedings.

Generally credit supportive regulatory jurisdictions in the New England region

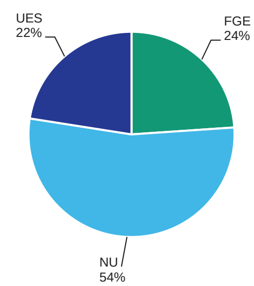
The Unitil family of utilities operate in New Hampshire, Maine and Massachusetts where we view the regulatory environment as credit supportive. The largest share of rate base is located within New Hampshire where NU, UES and GSGT operate (see Exhibit 6 and Exhibit 7). Each company has benefited from generally constructive rate case outcomes that support production of strong cash flow. Additional support is provided by approved cost recovery mechanisms such as capital investment trackers and decoupling in Massachusetts.

Exhibit 7
Unitil rate base breakdown by state



Source: Unitil Corp. Filings

Exhibit 8
Unitil rate base breakdown by utility



GSGT and NU rate base are combined
Source: Unitil Corp. Filings

Northern Utilities

NU's rate base is largely in Maine (63%) with the smaller portion in New Hampshire. The company filed its latest Maine general rate case in June 2019 and on 26 March 2020, the MPUC approved a base rate revenue increase of $3.6 million based on a 9.48% ROE and an equity ratio of 50%. Although the ROE was lowered slightly from 9.5%, the equity ratio remains the same. NU's rate filing was driven by investments in the system to improve reliability and resiliency as well as to meet customer growth. The company had requested a $7 million base rate revenue increase based on a 10.5% ROE and 52.9% equity ratio.

Additionally, NU requested an additional tracker called a Capital Investment Recovery Adjustment (CIRA) that would allow for annual adjustments to base rates for the recovery of capital expenditures for non-growth related infrastructure investments, which was not approved. However, in the previous 2017 general rate case, the MPUC reauthorized the Targeted Infrastructure Adjustment (TIRA), that allows the company recovery on gas main pipeline replacement program, for another eight years.

NU's most recent general rate case in New Hampshire was concluded in May 2018. The NHPUC authorized an annual revenue increase of $2.6 million and a step increase of $2.3 million to recover post-test year capital investments, which are offset by a $1.7 million revenue reduction associated with tax reform. The NHPUC approved NU's second step increase request of $1.4 million, effective 1 May 2019, to recover eligible capital investments in 2018. Based on the terms of the agreement, the company's next distribution base rate case cannot be filed until 2021 with a test year no earlier than the last twelve months ended 31 December 2020. In New Hampshire, NU is authorized an ROE of 9.5% and an equity ratio of 51.7%.

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. Decoupling insulates the utility's cash flow from fluctuations in its retail electric and gas sales, thus adding a higher level of stability and predictability, a credit positive. FGE also benefits from a long-term capital expenditure tracker that allows for annual revenue adjustments to recover capital investments for both electric and gas.

On 17 December 2019, FGE filed for a $2.7 million and $7.3 million increase in its electric and gas base revenue decoupling targets, respectively. 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. The gas base rate settlement allows for an increase of $4.6 million to be phased in over two years. The first year increase totals $3.7 million effective 1 March 2020 with the remaining $0.9 million increase effective 1 March 2021. Both settlements authorize a 9.7% ROE, lowered slightly from 9.8%, and an equity ratio 52.45%, increased from 52.17%.

As apart of the negotiated terms, FGE cannot seek new rates before 2023 unless there are extraordinary events that meet a certain impact threshold. The latest settlement also provides for the implementation of a major storm reserve fund, whereby FGE may recover the costs of restoration after qualifying storm events. In addition, the agreement provides for the extension of the annual capital cost recovery mechanism, modified to allow the recovery of property tax on cumulative net capital expenditures.

Unitil Energy Systems

UES' last rate case was settled with a final order by the NHPUC on 20 April 2017. The final order authorized an initial revenue increase of $4.1 million and a three-year rate plan, which included an additional rate increase of $0.9 million in May 2017 and two additional revenue increases covering 80% of UES' change in net plant, property and equipment included in the rate plan. In April 2019, the NHPUC approved UES's final step adjustment representing a revenue increase of about $0.34 million, was effective 1 May 2019. As part of the final order in 2017, UES was granted an authorized ROE of 9.5% based on an equity ratio of 51%.

Granite State Gas Transmission

GSGT's operations are an integral part of NU's operations and service territory. The company's long-term debt outstanding consists of $15 million of notes due November 2027. GSGT accounts for less than 2% of Unitil's consolidated revenue but the FERC regulated interstate natural gas transmission pipeline solely services NU's customer territory in New Hampshire and Maine. GSGT gets 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. GSGT's revenue and operations are regulated by FERC. In May 2018, FERC approved an uncontested rate settlement that resulted in no change in rates because the effects of tax reform offset an approved capital investment step up adjustment. The settlement also provided that GSGT not file a general rate case before April 2019. Officials do not have plans to file a rate case in 2020.

Consistent cash flow generation resulting in stable financial metrics

Given the low-risk nature and predictable cash flow generation of its utilities, we expect Unitil and the entire family of companies to maintain stable financial profiles. Over the last five years, CFO pre-WC has averaged about $97 million. For the LTM 31 March 2020, Unitil's consolidated CFO pre-WC was $91 million, which fell short of covering its total capital expenditures of $130 million over the same period, increasing the organizations' negative free cash flow. Unitil's ratio of consolidated CFO pre-WC to debt was 15.1% for the period and we expect the ratio to be sustained at about 16% for the next several years.

For the LTM Q120, UES, FGE and NU's ratios of CFO pre-WC to debt were 16.8%, 15.1% and 18.4%, respectively. We expect all three utilities to sustain stable financial metrics going forward and maintain ratios of CFO pre-WC to debt in the mid-teens to 20% range.

GSGT's financial performance has improved in recent years driven by a reduction in debt. For the LTM period ending 31 March 2020, FFO to debt reached a high of 18.2% from a low of 15.2% in 2017. We expect GSGT's financial metrics to remain sound ranging from the mid to high teens over the next several years.

ESG considerations

Unitil has a low carbon transition risk within the regulated utility sector compared to vertically integrated electric utilities, mainly because of its lack of generation asset ownership. However, its operations, which include natural gas transportation, distribution and storage activities, inherently involve a variety of hazards and operational risks, such as leaks. Moody's framework for assessing carbon transition risk in the utility industry is discussed in "Prudent regulation key to mitigating risk, capturing opportunities of decarbonization" (2 November 2017).

Social risks are primarily related to health and safety, demographic and societal trends, as well as customer relations as the company works to provide reliable and affordable service to customers and safe working conditions to employees. Regarding affordability, Moody's sees the potential for rising social risks associated with the COVID-19 pandemic and its effect on Unitil's service territory, should unemployment remain high, making customers less able to absorb rate increases.

From a governance perspective, financial and risk management policies including a strong financial profile are important characteristics for managing environmental and social risks. We view the governance of Unitil as strong based on our assessment criteria. Moody's framework for assessing corporate governance is discussed in "Utilities and power companies – North America Corporate governance assessments show generally credit-friendly characteristics" (September 19, 2019).

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 results, Unitil maintained a modest consolidated cash balance of $6.2 million as of 31 March 2020. Dividend distributions from its subsidiaries are the primary source of capital and totaled $22 million for the year ended 31 December 2019, which approximated Unitil's shareholder dividend distribution of $22 million for the same period. Unitil's capital contributions to its subsidiaries were $54 million for the LTM 31 March 2020 period.

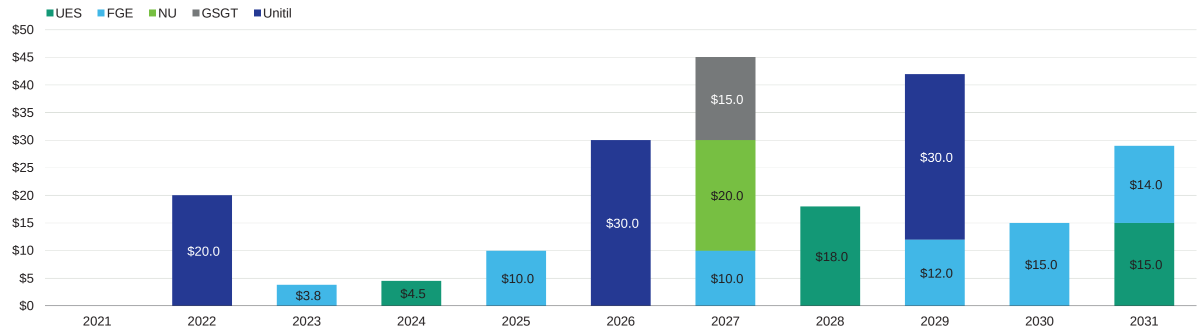
Unitil and all of its subsidiaries use a $120 million joint revolving credit facility that expires in July 2023. The revolver includes a $25 million sublimit for the issuance of standby letters of credit. The borrowing limit can be upsized an additional $50 million with lenders approval. The credit agreement 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 typically uses 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 31 March 2020, Unitil had $48.3 million available on the revolver, net of $71.6 million of borrowings and $0.1 million of letters of credit outstanding. Although the subsidiaries have no short-term borrowing limits on the revolver, state regulators establish borrowing limits for each subsidiary annually. UES has a borrowing limit of $34.8 million, FGE's limit is $50 million, NU's limit is about $90.5 million and GSGT's limit is $25 million.

Unitil's $80 million of holding company debt includes unsecured notes due in May 2022, August 2026 and December 2029 (see exhibit 9). We expect that Unitil will continue to fund the group's planned capital investments ranging from $120 — $130 million over the next three years 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.

The subsidiaries' nearest long-term debt maturity is $3.8 million owed at FGE in November 2023. In June 2020, Unitil priced a total of $95 million (private placement), 20 year senior secured notes at UES ($27.5 million), FGE ($27.5 million) and NU ($40 million) that will fund in September 2020. The issuance will be used to pay down short-term debt.

Exhibit 9
Unitil and subsidiaries debt maturities over the next 10 years



Debt as of year-end 2019
Source: Unitil Corp. Filing

Rating Methodology and Scorecard Factors

Exhibit 10
Rating Factors
Unitil Corporation

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 3/31/2020		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	A	A	A	A
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)	4.3x	Baa	4.5x-4.7x	A
b) CFO pre-WC / Debt (3 Year Avg)	17.0%	Baa	15%-17%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	13.2%	Baa	12%-13%	Baa
d) Debt / Capitalization (3 Year Avg)	55.5%	Baa	53%-56%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		Baa1
HoldCo Structural Subordination Notching	-1	-1	-1	-1
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned				Baa2

Exhibit 11
Rating Factors
Unitil Energy Systems, Inc. – Private

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 3/31/2020		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	A	A	A	A
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)	4.6x	A	5.0x - 5.5x	A
b) CFO pre-WC / Debt (3 Year Avg)	19.6%	A	17%-20%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	14.8%	Baa	13%-16%	Baa
d) Debt / Capitalization (3 Year Avg)	54.0%	Baa	49%-51%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		A3		Baa1
HoldCo Structural Subordination Notching	0	0	0	0
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned		Baa1		Baa1

Exhibit 12
Rating Factors
Northern Utilities, Inc. – Private

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 3/31/2020		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	A	A	A	A
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)	4.4x	Baa	5x - 5.4x	A
b) CFO pre-WC / Debt (3 Year Avg)	16.9%	Baa	16.5% - 18.5%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	12.0%	Baa	12% - 14%	Baa
d) Debt / Capitalization (3 Year Avg)	47.4%	A	46% - 49%	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		Baa1

Exhibit 13
Rating Factors
Fitchburg Gas & Electric Light Company – Private

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 3/31/2020		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	A	A	A	A
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)	4.2x	Baa	4.5-5.5	A
b) CFO pre-WC / Debt (3 Year Avg)	16.1%	Baa	15%-18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	13.3%	Baa	13%-15%	Baa
d) Debt / Capitalization (3 Year Avg)	56.8%	Baa	54%-55%	Baa
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa1		Baa1
HoldCo Structural Subordination Notching	0	0	0	0
a) Scorecard-Indicated Outcome		Baa1		Baa1
b) Actual Rating Assigned		Baa1		Baa1

Exhibit 14
Rating Factors
Granite State Gas Transmission, Inc. – Private

Natural Gas Pipelines Industry Scorecard [1][2]	Current LTM 3/31/2020		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	A	A	A	A
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	5.9x	A	5.8x-6.3x	Aa
b) FFO / Debt	18.2%	Baa	17%-19%	Baa
c) (FFO - Dividends) / Debt	11.5%	Ba	12%-13%	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa2		Baa1
b) Actual Rating Assigned		Baa2		Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 12/31/2019
[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

Appendix

Exhibit 15

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-16	Dec-17	Dec-18	Dec-19	LTM Mar-20
As Adjusted					
FFO	**91**	**93**	**92**	**95**	**94**
+/- Other	1	8	10	0	(3)
CFO Pre-WC	**92**	**101**	**102**	**95**	**91**
+/- ΔWC	(21)	(15)	(10)	13	7
CFO	**71**	**87**	**92**	**108**	**98**
- Div	20	20	22	22	22
- Capex	100	119	103	124	130
FCF	**(48)**	**(53)**	**(33)**	**(38)**	**(54)**
(CFO Pre-W/C) / Debt	17.3%	18.0%	17.9%	15.8%	15.1%
(CFO Pre-W/C - Dividends) / Debt	13.6%	14.4%	14.1%	12.1%	11.4%
FFO / Debt	17.1%	16.6%	16.1%	15.8%	15.5%
RCF / Debt	13.3%	13.0%	12.3%	12.1%	11.8%
Revenue	383	406	444	438	417
Cost of Good Sold	246	261	298	289	269
Interest Expense	25	28	30	29	29
Net Income	28	29	26	34	33
Total Assets	1,135	1,248	1,306	1,369	1,376
Total Liabilities	870	937	963	1,003	1,000
Total Equity	265	311	342	366	377

[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 16

Peer Comparison Table [1]

	Unitil Corporation Baa2 Stable			Avangrid, Inc. Baa1 Negative			NiSource Inc. Baa2 Stable			DTE Energy Company Baa2 Stable		
(in US millions)	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20
Revenue	444	438	417	6,478	6,338	6,285	5,115	5,209	4,945	14,212	12,669	12,177
CFO Pre-W/C	102	95	91	1,823	1,456	1,494	469	1,525	1,616	2,801	3,003	3,202
Total Debt	567	604	604	7,788	9,059	9,129	9,951	10,276	10,505	15,068	18,285	19,371
CFO Pre-W/C / Debt	17.9%	15.8%	15.1%	23.4%	16.1%	16.4%	4.7%	14.8%	15.4%	18.6%	16.4%	16.5%
CFO Pre-W/C – Dividends / Debt	14.1%	12.1%	11.4%	15.5%	9.4%	9.7%	1.9%	11.7%	12.2%	14.0%	12.2%	12.5%
Debt / Capitalization	56.3%	56.3%	55.5%	31.6%	34.4%	34.1%	60.2%	59.6%	61.1%	53.9%	56.1%	56.9%

[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

Ratings

Exhibit 17

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

Source: Moody's Investors Service

REPORT NUMBER 1229014

MOODY'S
INVESTORS SERVICE

PUC 1604.01(a) - 14 REVISED Attachment 1

PUC 1604.01(a) - 14 REVISED Att 1

REDACTED

Unitil Energy Systems, Inc.

Officers Compensation

Test Year		**2019**			**2020**		
Name	**Title**	**Base Salary**	**Incentive Cash**	**Restricted Stock**	**Base Salary**	**Incentive Cash**	**Restricted Stock**
Meissner	President	$ 572,000.00	$ 459,677.00	$ 938,737.48	$ 597,740.00	$ 527,956.00	$ 998,567.35
Black	Sr. VP	$ 292,600.00	$ 139,732.00	$ 478,707.57	$ 301,378.00	$ 145,422.00	$ 126,721.74
Brock [1]	VP and Controller / Sr. VP	$ 264,546.00	$ 115,144.00	$ 119,852.61	$ 286,000.00	$ 131,479.00	$ 126,721.74
Collin [2]	Sr. VP	$ 122,667.00	$ 232,943.00	$ 215,086.85	N/A	N/A	N/A
Diggins [3]	Treasurer	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Eisfeller	VP	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Hevert [4]	Sr. VP	N/A	N/A	N/A	$ 153,910.00	N/A	N/A
Hurstak [5]	Controller	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Furino	VP	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Letourneau	VP	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Vaughan [6]	*Sr. VP & Treasurer*	*$ 330,000.00*	*$ -*	*N/A*	*$ 339,900.00*	*$ 210,870.00*	*$ 62,727.53*
Whitney	Secretary	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
OFFICERS' TOTAL CALENDAR YEAR 2019 / OFFICERS' TOTAL CALENDAR YEAR 2020		**$ 2,312,413.00**	**$ 1,219,609.00**	**$ 1,915,971.88**	**$ 2,786,704.00**	**1,334,389.00**	**$ 1,598,917.51**

1 - Brock - VP & Controller in 2019; Sr VP in 2020
2 - Collin - Retired in May 2019
3 - Diggins - Treasurer in 2020
4 - Hevert - Sr. VP in July 2020; no Incentive Cash or Restricted Stock Award
5 - Hurstak - Controller in March 2020; no Incentive Cash or Restricted Stock Award
6 - Vaughan - Sr VP & Treasurer in Jan 2019; Resigned in March 2020