

UNITIL ENERGY SYSTEMS
STATEMENTS OF EARNINGS
(\$ in Millions)

	Year Ended December 31,		
	2018	2017	2016
Operating Revenues	\$ 157.6	\$ 143.2	\$ 132.2
Operating Expenses:			
Cost of Electric Sales	95.2	81.1	75.5
Operation and Maintenance	22.4	20.7	19.6
Depreciation and Amortization	14.9	14.5	14.1
Taxes Other Than Income Taxes	6.3	6.2	5.8
Total Operating Expenses	138.8	122.5	115.0
Operating Income	18.8	20.7	17.2
Interest Expense	5.9	5.8	5.8
Other Expense (Income), net	1.2	0.9	0.7
Income Before Income Taxes	11.7	14.0	10.7
Income Tax Expense	3.2	5.5	3.9
Net Income Applicable to Common Stock	\$ 8.5	\$ 8.5	\$ 6.8

UNITIL ENERGY SYSTEMS, INC.
BALANCE SHEETS
(Millions)

	December 31,	
	2018	2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 4.7	\$ 3.0
Accounts Receivable -- Less Allowance for Doubtful Accounts of \$0.2 and \$0.4	19.3	20.0
Accrued Revenue	12.0	15.3
Due from Affiliates	2.4	1.7
Materials and Supplies	1.3	1.0
Prepayments and Other	2.0	2.1
Total Current Assets	41.7	43.1
Utility Plant:		
Electric	340.8	324.2
Construction Work in Progress	5.6	7.1
Total Utility Plant	346.4	331.3
Less: Accumulated Depreciation	104.7	98.1
Net Utility Plant	241.7	233.2
Noncurrent Assets:		
Regulatory Assets	34.9	37.4
Other Assets	1.0	0.8
Total Noncurrent Assets	35.9	38.2
TOTAL ASSETS	\$ 319.3	\$ 314.5

UNITIL ENERGY SYSTEMS, INC.
BALANCE SHEETS
(Millions, except common shares data)

	December 31,	
	2018	2017
LIABILITIES AND CAPITALIZATION		
Current Liabilities:		
Accounts Payable	\$ 17.1	\$ 15.8
Short-Term Debt	-	21.4
Long-Term Debt, Current Portion	8.4	6.4
Energy Supply Obligations	2.0	2.7
Regulatory Liabilities	5.9	3.7
Other Current Liabilities	4.1	5.0
Total Current Liabilities	37.5	55.0
Noncurrent Liabilities:		
Energy Supply Obligations	0.6	0.9
Deferred Income Taxes	27.9	23.2
Cost of Removal Obligations	18.7	16.3
Retirement Benefit Obligations	47.1	55.2
Regulatory Liabilities	16.4	17.1
Other Noncurrent Liabilities	0.7	0.7
Total Noncurrent Liabilities	111.4	113.4
Capitalization:		
Long-term Debt, Less Current Portion	86.3	65.2
Stockholders' Equity:		
Common Stock, No Par Value		
Authorized - 250,000 shares		
Issued and Outstanding - 131,746 shares	42.4	42.4
Retained Earnings	41.5	38.3
Total Common Stock Equity	83.9	80.7
Preferred Stock:		
Preferred Stock, Non-Redeemable, Non-Cumulative:		
6.00% Series, \$100 Par Value	0.2	0.2
Total Stockholders' Equity	84.1	80.9
Total Capitalization	170.4	146.1
Commitments and Contingencies (Note 6)		
TOTAL LIABILITIES AND CAPITALIZATION	\$ 319.3	\$ 314.5

UNITIL ENERGY SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
(Millions)

	Year Ended December 31,		
	2018	2017	2016
Operating Activities:			
Net Income	\$ 8.5	\$ 8.5	6.8
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:			
Depreciation and Amortization	14.9	14.5	14.1
Deferred Tax Provision	3.2	5.7	3.9
Changes in Working Capital Items:			
Accounts Receivable	0.7	(4.4)	-
Accrued Revenue and Energy Supply Obligations	2.6	(0.5)	0.2
Accounts Payable	1.3	3.7	0.2
Due to/from Affiliates	(0.7)	0.8	(0.8)
Regulatory Liabilities	2.2	(0.2)	(1.0)
Other Changes in Working Capital Items	(1.1)	(2.0)	0.7
Deferred Regulatory and Other Charges	(6.8)	(3.0)	1.8
Other, Net	(1.3)	0.9	(2.8)
Cash Provided by Operating Activities	<u>23.5</u>	<u>24.0</u>	<u>23.1</u>
Investing Activities:			
Property, Plant and Equipment Additions	(17.6)	(20.6)	(22.7)
Cash (Used in) Investing Activities	<u>(17.6)</u>	<u>(20.6)</u>	<u>(22.7)</u>
Financing Activities:			
Proceeds from (Repayment of) Short-Term Debt, net	(21.4)	4.6	8.0
Issuance of Long-Term Debt	30.0	-	-
Repayment of Long-Term Debt	(6.5)	(1.5)	(3.0)
Dividends Paid	(6.3)	(6.2)	(5.0)
Equity Contribution	-	-	-
Cash Used in Provided by Financing Activities	<u>(4.2)</u>	<u>(3.1)</u>	<u>0.0</u>
Net Increase in Cash and Cash Equivalents	1.7	0.3	0.4
Cash and Cash Equivalents at Beginning of Year	<u>3.0</u>	<u>2.7</u>	<u>2.3</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4.7</u>	<u>\$ 3.0</u>	<u>\$ 2.7</u>
Supplemental Cash Flow Information:			
Interest Paid	\$ 5.7	\$ 5.3	\$ 5.4
Income Taxes Paid	\$ 1.3	\$ 0.2	\$ 1.3
Non-cash Investing Activity:			
Capital Expenditures Included in Accounts Payable	\$ 0.3	\$ 0.1	\$ 0.1

UNITIL ENERGY SYSTEMS
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
(Millions)

	Common Equity	Retained Earnings (Deficit)	Total
Balance at January 1, 2016	\$ 42.4	\$ 34.9	\$ 77.3
Net Income	-	6.8	6.8
Dividends Declared	-	(4.9)	(4.9)
Balance at December 31, 2016	42.4	36.8	79.2
Net Income	-	8.5	8.5
Dividends Declared	-	(7.0)	(7.0)
Balance at December 31, 2017	42.4	38.3	80.7
Net Income	-	8.5	8.5
Dividends	-	(5.3)	(5.3)
Balance at December 31, 2018	\$ 42.4	\$ 41.5	\$ 83.9