

UNITIL CORP
Form U-13-60
April 21, 2004
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM U-13-60

ANNUAL REPORT

For the Year Ended December 31, 2003

UNITIL RESOURCES, INC.

6 Liberty Lane West, Hampton, New Hampshire 03842-1720

Date of Incorporation
State of Incorporation

May 26, 1993
New Hampshire

Name, Title and address of officer to whom correspondence concerning this report should be addressed:

Laurence M. Brock, Controller & Treasurer

6 Liberty Lane West

Hampton, New Hampshire 03842-1720

Edgar Filing: UNITIL CORP - Form U-13-60

Name of Principal Holding Company:

UNITIL Corporation

- (1) This report is being filed pursuant to the requirements of H.C.A.R. Number 35-25816, which specifies that UNITIL Resources, Inc. must file an annual report using, where applicable, Form U-13-60 reporting format.
-

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

<u>Description of Schedules and Accounts</u>	<u>Schedule or Account Number</u>	<u>Page Number</u>
<u>COMPARATIVE BALANCE SHEET</u>	Schedule I	4-5
<u>COMPANY PROPERTY</u>	Schedule II	6-7
<u>ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF COMPANY PROPERTY</u>	Schedule III	8
<u>INVESTMENTS</u>	Schedule IV	9
<u>ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES</u>	Schedule V	10
<u>FUEL STOCK EXPENSES UNDISTRIBUTED</u>	Schedule VI	11
<u>STORES EXPENSE UNDISTRIBUTED</u>	Schedule VII	12
<u>UNBILLED AND ACCRUED REVENUE</u>	Schedule VIII	13
<u>MISCELLANEOUS DEFERRED DEBITS</u>	Schedule IX	14
<u>RESEARCH, DEVELOPMENT, OR DEMONSTRATION EXPENDITURES</u>	Schedule X	15
<u>PROPRIETARY CAPITAL</u>	Schedule XI	16
<u>LONG-TERM DEBT</u>	Schedule XII	17
<u>CURRENT AND ACCRUED LIABILITIES</u>	Schedule XIII	18
<u>NOTES TO FINANCIAL STATEMENTS</u>	Schedule XIV	19
<u>COMPARATIVE INCOME STATEMENT</u>	Schedule XV	20
<u>ANALYSIS OF BILLING - ASSOCIATE COMPANIES</u>	Account 451	21
<u>ANALYSIS OF BILLING - NONASSOCIATE COMPANIES</u>	Account 451	22
<u>ANALYSIS OF CHARGES FOR SERVICE - ASSOCIATE AND NONASSOCIATE COMPANIES</u>	Schedule XVI	23
<u>SCHEDULE OF EXPENSE BY DEPARTMENT OR FUNCTION</u>	Schedule XVII	24
<u>NOTES TO STATEMENT OF INCOME</u>	Schedule XVIII	25
<u>DEPARTMENTAL ANALYSIS OF SALARIES</u>	Account 920	26
<u>OUTSIDE SERVICES EMPLOYED</u>	Account 923	27
<u>EMPLOYEE PENSIONS AND BENEFITS</u>	Account 926	28
<u>GENERAL ADVERTISING EXPENSES</u>	Account 930.1	29
<u>MISCELLANEOUS GENERAL EXPENSES</u>	Account 930.2	30
<u>RENTS</u>	Account 931	31
<u>TAXES OTHER THAN INCOME TAXES</u>	Account 408	32
<u>DONATIONS</u>	Account 426.1	33
<u>OTHER DEDUCTIONS</u>	Account 426.5	34

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

Description of Reports or Statements	Page Number
<u>ORGANIZATION CHART</u>	35
<u>METHODS OF ALLOCATION</u>	36
<u>ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED</u>	36
<u>SIGNATURE CLAUSE</u>	37

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE I - COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the current and prior year.

ACCOUNT	ASSETS AND OTHER DEBITS	AS OF DECEMBER 31	
		CURRENT	PRIOR
COMPANY PROPERTY			
101	Company property (Schedule II)	\$ 1,527,070	\$ 1,260,463
107	Construction work in progress (Schedule II)		265,658
	Total Property	1,527,070	1,526,121
108	Less accumulated provision for depreciation and amortization of company property (Schedule III)	1,265,066	613,464
	Net Company Property	262,004	912,657
INVESTMENTS			
123	Investments in associate companies (Schedule IV)		
124	Other investments (Schedule IV)		
	Total investments		
CURRENT AND ACCRUED ASSETS			
131	Cash	268,945	325,993
134	Special deposits	7,000	
135	Working funds		
136	Temporary cash investments (Schedule IV)		
141	Notes receivable		
143	Accounts receivable	274,842	318,908
144	Accumulated provision for uncollectable accounts		
146	Accounts receivable from associate companies (Schedule V)	351,935	11,994
152	Fuel stock expense undistributed (Schedule VI)		
154	Materials and supplies		
163	Stores expense undistributed (Schedule VII)		
165	Prepayments	(72)	53,908
173	Unbilled and Accrued Revenues (Schedule VIII)		
	Total Current and Accrued Assets	902,650	710,803
DEFERRED DEBITS			
181	Unamortized debt expense		

Edgar Filing: UNITIL CORP - Form U-13-60

184	Clearing accounts		
186	Miscellaneous deferred debits (Schedule IX)		136,993
188	Research, development, or demonstration expenditures (Schedule X)		
190	Accumulated deferred income tax		
		_____	_____
	Total Deferred Debits		136,993
		_____	_____
	TOTAL ASSETS AND OTHER DEBITS	\$ 1,164,654	\$ 1,760,453
		_____	_____

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE I - COMPARATIVE BALANCE SHEET

ACCOUNT	LIABILITIES AND PROPRIETARY CAPITAL	AS OF DECEMBER 31	
		CURRENT	PRIOR
PROPRIETARY CAPITAL			
201	Common stock issued (Schedule XI)	\$ 100	\$ 100
207	Premium on common stock (Schedule XI)	9,900	9,900
211	Miscellaneous Paid in Capital	4,890,000	4,640,000
215	Appropriated retained earnings (Schedule XI)		
216	Unappropriated retained earnings (Schedule XI)	(4,717,446)	(4,085,470)
	Total Proprietary Capital	182,554	564,530
LONG-TERM DEBT			
223	Advances from associate companies (Schedule XII)		
224	Other long-term debt (Schedule XII)		
225	Unamortized premium on long-term debt		
226	Unamortized discount on long-term debt-debit		
	Total Long-Term Debt		
227	Obligations under capital leases - non-current		
CURRENT AND ACCRUED LIABILITIES			
231	Notes payable	1,191,081	1,134,712
232	Accounts payable	41,288	135,612
233	Notes payable to associate companies (Schedule XIII)		
234	Accounts payable to associate companies (Schedule XIII)	333,904	272,251
236	Taxes accrued	(612,344)	(197,428)
237	Interest accrued		
238	Dividends declared		
241	Tax collections payable		
242	Miscellaneous current and accrued liabilities (Schedule XIII)	1,871	29,105
243	Obligations under capital leases - current		
	Total Current and Accrued Liabilities	955,800	1,374,252
DEFERRED CREDITS			
253	Other deferred credits		
255	Accumulated deferred investment tax credits		
	Total Deferred Credits		

282	ACCUMULATED DEFERRED INCOME TAXES	<u>26,300</u>	<u>(178,329)</u>
	TOTAL LIABILITIES AND PROPRIETARY CAPITAL	<u>\$ 1,164,654</u>	<u>\$ 1,760,453</u>

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE II - COMPANY PROPERTY

<i>ACCOUNT</i>	<i>DESCRIPTION</i>	<i>BALANCE AT BEGINNING OF YEAR</i>	<i>ADDITIONS</i>	<i>RETIREMENTS OR SALES</i>	<i>OTHER CHANGES 1/</i>	<i>BALANCE AT CLOSE OF YEAR</i>
	<i>COMPANY PROPERTY</i>					
301	ORGANIZATION					
303	MISCELLANEOUS INTANGIBLE PLANT					
304	LAND AND LAND RIGHTS					
305	STRUCTURES AND IMPROVEMENTS					
306	LEASEHOLD IMPROVEMENTS					
307	EQUIPMENT 2/					
308	OFFICE FURNITURE AND EQUIPMENT					
309	AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT					
310	AIRCRAFT AND AIRPORT EQUIPMENT					
311	OTHER COMPANY PROPERTY 3/	\$ 1,260,463	\$ 266,607			\$ 1,527,070
	SUB-TOTAL	1,260,463	266,607			1,527,070
107	CONSTRUCTION WORK IN PROGRESS	265,658			265,658	
	TOTAL	\$ 1,526,121	\$ 266,607	\$	\$ 265,658	\$ 1,527,070

1/ PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE II - CONTINUED

2/ SUBACCOUNTS ARE REQUIRED FOR EACH CLASS OF EQUIPMENT OWNED. THE COMPANY SHALL PROVIDE A LISTING BY SUBACCOUNT OF EQUIPMENT ADDITIONS DURING THE YEAR AND THE BALANCE AT THE CLOSE OF THE YEAR:

<u>SUBACCOUNT DESCRIPTION</u>	<u>ADDITIONS</u>	<u>BALANCE AT CLOSE OF YEAR</u>
NONE		
TOTAL		

3/ DESCRIBE OTHER COMPANY PROPERTY:

NONE		
Equipment	\$ 266,607	\$ 304,908
Software Licenses		1,209,266
Trademark		12,896
TOTAL	\$ 266,607	\$ 1,527,070

4/ DESCRIBE CONSTRUCTION WORK IN PROGRESS:

Software Development

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE III**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF COMPANY PROPERTY**

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO ACCOUNT 403	RETIREMENTS	OTHER CHANGES ADD (DEDUCT)1/	BALANCE AT CLOSE OF YEAR
301	ORGANIZATION					
303	MISCELLANEOUS INTANGIBLE PLANT					
304	LAND AND LAND RIGHTS					
305	STRUCTURES AND IMPROVEMENTS					
306	LEASEHOLD IMPROVEMENTS					
307	EQUIPMENT 2/					
308	OFFICE FURNITURE AND EQUIPMENT					
309	AUTOMOBILES, OTHER VEHICLES AND RELATED GARAGE EQUIPMENT					
310	AIRCRAFT AND AIRPORT EQUIPMENT					
311	OTHER COMPANY PROPERTY 3/	\$ 613,464	\$ 651,602		\$	\$ 1,265,066
	TOTAL	\$ 613,464	\$ 651,602	\$	\$	\$ 1,265,066

1/ PROVIDE AN EXPLANATION OF THOSE CHANGES CONSIDERED MATERIAL:

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE IV - INVESTMENTS

INSTRUCTIONS: Complete the following schedule concerning investments. Under Account 124 - Other Investments - state each investment separately, with description, including, the name of issuing company, number of shares or principal amount. Under Account 136, - Temporary Cash Investments - , list each investment separately.

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
123	INVESTMENT IN ASSOCIATE COMPANIES	\$	\$
124	OTHER INVESTMENTS		
136	TEMPORARY CASH INVESTMENTS		
	TOTAL	\$	\$

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE V - ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each company, number of shares or principal amount associate company by subaccount should be provided.

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>BALANCE AT CLOSE OF YEAR</u>
146	ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES	\$	\$
	UNITIL Service Corp.	11,994	351,935
	TOTAL	\$ 11,994	\$ 351,935

ANALYSIS OF CONVENIENCE OR ACCOMMODATION PAYMENTS: NONE

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE IX - MISCELLANEOUS DEFERRED DEBITS

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped by class showing the number of items in each class.

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
186	MISCELLANEOUS DEFERRED DEBITS		
	Software License Agreement	\$ 119,000	\$
	Licensing	17,968	
	Other	25	
	TOTAL	\$ 136,993	\$

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE X - RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES

INSTRUCTIONS: Provide a description of each material research, development, or demonstration project which incurred costs by the company during the year.

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>BALANCE AT CLOSE OF YEAR</u>
188	RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES	\$
		<hr/>
	TOTAL	\$
		<hr/>

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XI - PROPRIETARY CAPITAL

INSTRUCTIONS: Classify amounts in each account with brief explanation, disclosing the general nature of transactions which gave rise to the reported amounts.

ACCOUNT	CLASS OF STOCK	NUMBER OF SHARES AUTHORIZED	PAR OR STATED VALUE PER SHARE	OUTSTANDING CLOSE OF PERIOD	
				NO. OF SHARES	TOTAL AMOUNT
201	COMMON STOCK ISSUED	10,000	\$ 1.00	100	\$ 100

ACCOUNT	DESCRIPTION	AMOUNT
207	PREMIUM ON COMMON STOCK	\$ 9,900
211	MISCELLANEOUS PAID IN CAPITAL	4,890,000
215	APPROPRIATED RETAINED EARNINGS	
	TOTAL	\$ 4,899,900

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	NET INCOME OR (LOSS)	DIVIDENDS PAID	BALANCE AT CLOSE OF YEAR
216	UNAPPROPRIATED RETAINED EARNINGS	\$ (4,085,470)	\$ (631,976)	\$	\$ (4,717,446)
	TOTAL	\$ (4,085,470)	\$ (631,976)	\$	\$ (4,717,446)

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XII - LONG-TERM DEBT

INSTRUCTIONS: Advances from associate companies should be reported separately for advances on notes, and advances on open account. Names of associate companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 - Other long-term debt provide the name of creditor company or organization, terms of the obligation, date of maturity, interest rate, and the amount authorized and outstanding.

ACCOUNT	DESCRIPTION	NAME OF CREDITOR	TERMS OF		INTEREST RATE	AMOUNT AUTHORIZED	BALANCE		BALANCE	
			OBLIG CLASS & SERIES OF OBLIGATION	DATE OF MATURITY			AT BEGINNING OF YEAR	DEDUCTIONS 1/	AT CLOSE OF YEAR	OF YEAR
223	ADVANCES FROM ASSOCIATE COMPANIES	ADVANCES FROM ASSOCIATE					\$	\$	\$	\$
224	OTHER LONG-TERM DEBT:									
							\$	\$	\$	\$

1/ GIVE AN EXPLANATION OF DEDUCTIONS:

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XIII - CURRENT AND ACCRUED LIABILITIES

INSTRUCTIONS: Provide balance of notes and accounts payable to each associate company. Give description and amount of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

ACCOUNT	DESCRIPTION	BALANCE AT BEGINNING OF YEAR	BALANCE AT CLOSE OF YEAR
233	NOTES PAYABLE TO ASSOCIATE COMPANIES		
	Cashpool	\$ 1,134,712	\$ 1,191,081
	TOTAL	1,134,712	1,191,081
234	ACCOUNTS PAYABLE TO ASSOCIATE COMPANIES		
	UNITIL Service Corp.	272,251	333,904
	TOTAL	272,251	333,904
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES		
	Accrued Expenses	29,105	1,871
	TOTAL	\$ 29,105	\$ 1,871

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XIV - NOTES TO FINANCIAL STATEMENTS

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

Selected Notes to the Financial Statements:

UNITIL Resources, Inc. (URI) is the Company's wholly-owned non-utility subsidiary and has been authorized by the Securities and Exchange Commission, pursuant to the rules and regulations of the 1935 Act, to engage in business transactions as a competitive marketer of electricity, gas and other energy commodities in wholesale and retail markets, and to provide energy brokering, consulting and management related services within the United States. Usource, Inc. and Usource L.L.C. (Usource) are wholly-owned subsidiaries of Unitil Resources, Inc. Usource provides energy brokering services, as well as related energy consulting services.

Please refer to the 2003 Unitil Corporation Form 10-K for additional disclosures.

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XV - STATEMENT OF INCOME

<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
	<i>INCOME</i>		
451	Service revenue	\$ 1,147,964	\$ 755,647
451.01	Accrued and unbilled service revenue		
419	Interest Income	832	7,014
421	Miscellaneous income or loss		
	Total Income	<u>1,148,796</u>	<u>762,661</u>
	<i>EXPENSE</i>		
920	Salaries and wages		
921	Office supplies and expenses	126,987	212,771
922	Administrative expense transferred - credit		
923	Outside services employed	1,443,742	1,432,307
924	Property insurance		
925	Injuries and damages	863	2,101
926	Employee pensions and benefits		
928	Regulatory commission expense		
930.1	General advertising expense	8,727	9,132
930.2	Miscellaneous general expense	11,927	(875)
931	Rents		
932	Maintenance of structures and equipment		
403	Depreciation and amortization expense	669,570	197,860
408	Taxes other than income taxes	1,395	1,300
409	Income taxes	(612,344)	(487,895)
410	Provision for deferred income taxes	21,595	(37,492)
411	Provision for deferred income taxes - credit		
411.5	Investment tax credit		
426.1	Penalties	205	19,902
426.5	Other deductions	50	5
427	Interest on long-term debt		
430	Interest on debt to associate companies	22,840	24,620
431	Other interest expense		
555	Purchase Power Expense	(4,785)	(4,833)
904	Customer Accounting	90,000	57,889
	Total Expense	<u>1,780,772</u>	<u>1,426,792</u>
	Net Income or (Loss)	<u>\$ (631,976)</u>	<u>\$ (664,131)</u>

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

ANALYSIS OF BILLING ASSOCIATE COMPANIES - ACCOUNT 451

<u>NAME OF ASSOCIATE COMPANY</u>	<u>DIRECT COSTS CHARGED</u>	<u>INDIRECT COSTS CHARGED</u>	<u>COMPENSATION FOR USE OF CAPITAL</u>	<u>TOTAL AMOUNT BILLED</u>
NONE				
TOTAL	\$	\$	\$	\$

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

ANALYSIS OF BILLING NONASSOCIATE COMPANIES - ACCOUNT 451

NAME OF NONASSOCIATE COMPANY	DIRECT CHARGES	INDIRECT CHARGES	COMPENSATION FOR USE OF CAPITAL	TOTAL CHARGES	EXCESS OR DEFICIENCY	TOTAL AMOUNT BILLED
Usource (a)	\$ 1,147,964	\$	\$	\$ 1,147,964	\$	\$ 1,147,964
TOTAL	\$ 1,147,964	\$	\$	\$ 1,147,964	\$	\$ 1,147,964

INSTRUCTION: Provide a brief description of the services rendered to each nonassociate company.

(a) Brokering fees.

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XVI - ANALYSIS OF CHARGES FOR SERVICE - ASSOCIATE AND NONASSOCIATE COMPANIES

ACCOUNT NUMBER	DESCRIPTION OF ITEMS	ASSOCIATE COMPANY CHARGES			NONASSOCIATE COMPANY CHARGES			TOTAL CHARGES FOR SERVICE		
		DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL	DIRECT COST	INDIRECT COST	TOTAL
		Non-applicable								
920	SALARIES AND WAGES									
921	OFFICE SUPPLIES AND EXPENSES									
922	ADMIN EXPENSE TRANS-CREDIT									
923	OUTSIDE SERVICES EMPLOYED									
924	PROPERTY INSURANCE									
925	INJURIES AND DAMAGES									
926	EMPLOYEE PENSIONS AND BENEFITS									
928	REGULATORY COMMISSION EXPENSE									
930.1	GENERAL ADVERTISING EXPENSE									
930.2	MISC. GENERAL EXPENSE									
931	RENTS									
932	MAINT. OF STRUCT. & EQUIP.									
403	DEPR. AND AMORT. EXPENSE									
408	TAXES OTHER THAN INCOME									
409	INCOME TAXES									
410	PROV FOR DEF INC TAXES									
411	PROV FOR DEF INC TAX CREDIT									
411.5	INVESTMENT TAX CREDIT									
419	INTEREST INCOME									
426.1	DONATIONS									
426.5										

	OTHER DEDUCTIONS								
427	INTEREST ON LONG-TERM DEBT								
431	OTHER INTEREST EXPENSE								
	SUBTOTAL EXPENSES								
	COMPENSATION FOR USE OF EQUITY CAPITAL								
430	INTEREST ON DEBT TO ASSOCIATE COMPANIES								
	TOTAL EXPENSES								
421	MISCELLANEOUS INCOME								
	TOTAL COST OF SERVICE								

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XVII - SCHEDULE OF EXPENSE DISTRIBUTION BY DEPARTMENT OR FUNCTION

ACCOUNT NUMBER	DESCRIPTION OF ITEMS	TOTAL		DEPARTMENT OR FUNCTION			
		AMOUNT	OVERHEAD	NONE			
920	SALARIES AND WAGES						
921	OFFICE SUPPLIES AND EXPENSES			Non-applicable			
922	ADMIN. EXPENSE TRANS-CREDIT						
923	OUTSIDE SERVICES EMPLOYED						
924	PROPERTY INSURANCE						
925	INJURIES AND DAMAGES						
926	EMPLOYEE PENSIONS AND BENEFITS						
928	REGULATORY COMMISSION EXPENSE						
930.1	GENERAL ADVERTISING EXPENSE						
930.2	MISC. GENERAL EXPENSE						
931	RENTS						
932	MAINT. OF STRUCT. & EQUIP.						
403	DEPR. AND AMORT. EXPENSE						
408	TAXES OTHER THAN INCOME						
409	INCOME TAXES						
410	PROV. FOR DEF. INC. TAXES						
411	PROV. FOR DEF. INC. TAX CREDIT						
411.5	INVESTMENT TAX CREDIT						
426.1	DONATIONS						
426.5	OTHER DEDUCTIONS						
427	INTEREST ON LONG-TERM DEBT						
430	INTEREST ON DEBT TO ASSOCIATE COMPANIES						
431	OTHER INTEREST EXPENSE						
	TOTAL EXPENSES -						

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SCHEDULE XVIII - NOTES TO STATEMENT OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the statement of income or any account thereof. Furnish particulars as to any significant increases in services rendered or expenses incurred during the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

See page 19.

25

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

DEPARTMENTAL ANALYSIS OF SALARIES - ACCOUNT 920

NAME OF DEPARTMENT (Indicate each department or function)	DEPARTMENTAL SALARY EXPENSE				NUMBER PERSONNEL END OF YEAR
	INCLUDED IN AMOUNTS BILLED TO				
	TOTAL AMOUNT	PARENT COMPANY	OTHER ASSOCIATES	NON ASSOCIATES	
Non-applicable					
TOTAL	0	0	0	0	0

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

OUTSIDE SERVICES EMPLOYED - ACCOUNT 923

INSTRUCTIONS: Provide a breakdown by subaccount of outside services employed. If the aggregate amounts paid to any one payee and included within one subaccount is less than \$100,000, only the aggregate number and amount of all such payments included within the subaccount need be shown. Provide a subtotal for each type of service.

<u>FROM WHOM PURCHASED</u>	<u>ADDRESS</u>	<u>RELATIONSHIP</u> A = ASSOCIATE NA =NON ASSOCIATE	<u>AMOUNT</u>
<i>Outside Services</i>			
UNITIL Service Corp.		A	\$ 1,181,430
<i>Outside Services - Legal</i>			
Various		NA	10,967
<i>Outside Services - Other</i>			
Various		NA	251,345
TOTAL			\$ 1,443,742

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

EMPLOYEE PENSIONS AND BENEFITS - ACCOUNT 926

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Health Insurance	\$
Net Periodic Pension Expense	
401K	
Life Insurance	
Other	
TOTAL	\$

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

GENERAL ADVERTISING EXPENSES - ACCOUNT 930.1

INSTRUCTIONS: Provide a listing of the amounts included in Account 930.1 General Advertising Expenses, classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class included an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

DESCRIPTION	NAME OF PAYEE	AMOUNT
Advertising	Adventures in Advertising	\$ 2,077
	Image 4	3,796
	MassPlastics	1,600
	Other	1,254
	TOTAL	\$ 8,727

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

MISCELLANEOUS GENERAL EXPENSES

ACCOUNT 930.2

INSTRUCTIONS: Provide a listing of the amount included in Account 930.02 Miscellaneous General Expense , classifying such expenses according to their nature. Payments and expenses permitted by Section 321 (b) (2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441 (b) (2) shall be separately classified.

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Other	\$ 11,927
TOTAL	\$ 11,927

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

RENTS

ACCOUNT 931

INSTRUCTIONS: Provide a listing of the amount included in Account 931, Rents
classifying such expenses by major groupings of property, as
defined in the account definition of the Uniform System of Accounts.

<u>TYPE OF PROPERTY</u>	<u>AMOUNT</u>
Not Applicable	
TOTAL	\$

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

TAXES OTHER THAN INCOME TAXES

ACCOUNT 408

INSTRUCTIONS: Provide an analysis of Account 408, Taxes Other Than Income Taxes . Separate the analysis into two groups: (1) other than U. S. Government and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts there of. Provide a subtotal for each class of tax.

<u>KIND OF TAX</u>	<u>AMOUNT</u>
Other than U.S. Government Tax:	
NH BET Tax	\$ 1,395
TOTAL	\$ 1,395

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

DONATIONS

ACCOUNT 426.1

INSTRUCTIONS: Provide a listing of the amount included in Account 426.1, Donations, classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

<u>NAME OF RECIPIENT</u>	<u>PURPOSE OF DONATION</u>	<u>AMOUNT</u>
Tax Penalties		\$ 50
TOTAL		\$ 50

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

OTHER DEDUCTIONS

ACCOUNT 426.5

INSTRUCTIONS: Provide a listing of the amount included in Account 426.5, Other Deductions , classifying such expenses according to their nature.

<u>DESCRIPTION</u>	<u>NAME OF PAYEE</u>	<u>AMOUNT</u>
Commission of Revenue		\$ 205
TOTAL		\$ 205

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

ORGANIZATION CHART

Organization Chart as of December 31, 2003

President
Controller & Treasurer
Asst. Treasurer
Secretary

Todd R. Black
Laurence M. Brock
Charles J. Kershaw, Jr.
Raymond J. Morrissey

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

METHODS OF ALLOCATION

SEE UNITIL SERVICE CORP. U-13-60

ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

Non applicable

36

Table of Contents

ANNUAL REPORT OF UNITIL RESOURCES, INC.

For the Year Ended December 31, 2003

SIGNATURE CLAUSE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned officer thereunto duly authorized,

UNITIL Resources, Inc.

(Name of Reporting Company)

By: /s/ Laurence M. Brock

Laurence M. Brock, Controller and Treasurer

Date: April 20, 2004