

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

POST EFFECTIVE AMENDMENT NO. 2 TO THE
FORM U-1
APPLICATION AND DECLARATION
UNDER THE
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

UNITIL CORPORATION
UNITIL RESOURCES, INC.
UNITIL SERVICE CORP.
6 Liberty Lane West
Hampton, New Hampshire 03482

(Name of companies filing this statement and
address of principal executive offices)

UNITIL CORPORATION

(Name of top registered holding company
parent of each applicant or declarant)

Gail A. Siart
Treasurer
UNITIL CORPORATION
6 Liberty Lane West
Hampton, New Hampshire 03482

(Name and address of agent for service)

The Commission is requested to mail copies of
all orders, notices and communications to:

William S. Lamb, Esq.
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
125 West 55th Street
New York, New York 10019-5389

Unitil Corporation, a New Hampshire corporation

("Unitil") and a registered holding company under the Public
Utility Holding Company Act of 1935 (the "Act"), its wholly owned
subsidiary, Unitil Resources, Inc., a New Hampshire corporation
("URI") and its service company subsidiary, Unitil Service Corp.,
a New Hampshire corporation ("Unitil Service"), each of Hampton,
New Hampshire (collectively, the "Applicants"), hereby file this
Post Effective Amendment No. 2 to their Application and
Declaration on Form U-1 (the "Application") with the Securities
and Exchange Commission (the "Commission") for the purpose of
amending the Application as set forth below. In all other
respects, the Application as previously filed will remain the
same:

1. By amending and restating paragraph A of Item 1 as follows:

- A. Request for Authority for URI to Provide Energy
Marketing and Related Services

As authorized by orders dated May 24, 1993 (HCAR No.

25816) (the "1993 Order") and May 31, 1996 (HCAR No. 26527) (the "May Order"), URI is currently engaged in the business of providing energy related management and consulting services and technical assistance to customers ("Energy Management"), wholesale marketing of electricity, natural gas and other energy commodities ("Wholesale Energy Marketing") and retail marketing of electricity in New Hampshire and Massachusetts. In addition, Unital Corporation is authorized to issue certain guarantees in connection with URI's activities and the employees of Unital Service and the system operating utility companies are authorized to provide services to URI in connection with these activities, subject to certain limitations. At the time of the May Order, the Commission reserved jurisdiction over URI's request for authorization to engage in transactions as a retail marketer of electricity, natural gas and other energy commodities, including oil, refined petroleum products, liquids, coal wood and other similar combustible materials, in all other jurisdictions pending completion of the record. Unital hereby respectfully requests that the Commission release jurisdiction authorization over the retail marketing of electricity, natural gas, including propane distributed in enclosed portable containers, and other energy commodities ("Retail Energy Marketing") by URI within the United States (including participation in pilot and other retail competition activities), provided that (i) URI will only engage in Retail Energy Marketing activities in states where it has been authorized or permitted to make such sales under applicable state laws, regulations or orders, and (ii) URI will not sell electricity to any Unital public utility company absent appropriate approvals by the Federal Energy Regulatory Commission.

In order to manage the risk associated with its Retail Energy Marketing and related activities (as well as with its Wholesale Energy Marketing activities, as previously authorized), URI will use marketing hedging techniques, match obligations to market prices, contractually limit damages and volume and enter into relatively short term contracts, all of which are efforts to minimize the financial exposure of Unital through its guarantees. URI will not engage in speculative trading in the energy market, will limit hedging activity to no more than the total amount of commodities of URI that are subject to market price fluctuation and will engage in such activities in accordance with Unital system policy with respect to price risk.

Unitil will not seek recovery through higher rates to the Unitil system's utility customers in order to compensate Unitil for any possible losses that it may sustain on investments in URI or for any inadequate returns on such investments.

Such techniques include futures, forwards, swaps and option contracts relating to the energy commodities in which URI deals.

Unitil notes that this request for release of jurisdiction is consistent with a number of recent orders issued by the Commission under the Act. First, in addition to the May Order, the Commission initially issued a number of orders to other registered holding companies authorizing their subsidiaries to engage in certain retail marketing activities in states where retail programs had been approved by the appropriate regulatory bodies and where the applicant qualified to participate in such programs. At that time, the Commission reserved jurisdiction over retail activities in other states pending completion of the record. Following the rapid development of both legislative and company-sponsored retail pilot programs throughout the United States, it became clear that a state-by-state approval approach was neither practical or necessary to protect the public interest, and the Commission issued an order to SEI Holdings, Inc., a subsidiary of the Southern Company, allowing it to engage in retail marketing activities throughout the United States provided that such activities would only be conducted where authorized or permitted under state regulatory law. Subsequently, the Commission released the jurisdiction it had previously reserved over retail energy marketing activities in the United States with regard to a number of other registered holding company systems.

Consolidated Natural Gas Company, HCAR No. 26512 (April 30, 1996); Eastern Utilities Associates, HCAR No. 26519 (May 23, 1996); Northeast Utilities, HCAR No. 26544 (Aug. 13, 1996); American Electric Power Company, Inc., HCAR No. 26572 (Sept. 13, 1996).

Id.

SEI Holdings, Inc., HCAR No. 26581 (Sept. 26, 1996). It should be noted that this order authorizes SEI Holdings, Inc. to engage in retail marketing of electricity, gas, oil and coal.

American Electric Power Company, Inc., HCAR No. 26583 (Sept. 27, 1996) (authorizing retail marketing of electricity, natural and manufactured gas, emission allowances, coal,

oil, refined petroleum products and natural gas liquids); Eastern Utilities Associates, HCAR No. 26586 (Oct. 2, 1996) (authorizing retail marketing of electricity, oil and gas); Northeast Utilities, HCAR No. 26592 (Oct. 11, 1996) (authorizing retail marketing of electric power and natural gas).

2. By amending and restating paragraph C of Item I as follows:

C. Request for Authority for Unitil

Service to Provide Services to URI

As authorized by the May Order, URI contracts with

Unitil Service for personnel to perform most of URI's Retail and Wholesale Energy Marketing and Energy Management activities and certain personnel of the Unitil system operating utility companies provide additional technical services to URI. The services provided by Unitil Service to URI in connection with its Retail and Wholesale Energy Marketing and Energy Management activities are provided pursuant to the terms of the existing service company agreement between URI and Unitil Service, including the reimbursement of costs in accordance with the requirements of Rules 90 and 91 promulgated under the Act. As a result of a miscommunication between the Applicants and the Commission, the May Order limited the provision of such services to URI to no more than five percent of the employees of Unitil Service at any one time, instead of the requested limit of no more than five percent of the employees of the Unitil holding company system rendering, directly or indirectly, services to URI at any one time. It should be noted that in any case, with regard to services provided by employees of Unitil's public utility subsidiaries, URI remains subject to the existing limitation that no more than five percent of the employees of Unitil's public utility subsidiaries render, directly or indirectly, services to URI at any one time. However, because Unitil is a small holding company system, the number of employees of Unitil Service is small and limiting URI to five percent of the employees of just one subsidiary of this small system is impractical. Therefore, Unitil hereby requests that the Commission clarify the May Order stating that the provision of services to URI is limited to no more than five percent of the employees of the Unitil holding company system, provided that no more than 5% of the employees of Unitil's public utility companies shall render services to URI.

See 1993 Order. As previously stated, Unitil believes that this limit coupled with its undertaking that URI's use of personnel will not interfere with Unitil's operating companies operations provides a sufficient safeguard for the operating companies.

3. By amending and restating paragraph D of Item I as follows:

D. Involvement of Unitil System Companies with Exempt Wholesale Generators and Foreign Utility Companies

Neither Unitil nor any subsidiary thereof presently has, or as a consequence of the proposed transactions will have, an interest in any exempt wholesale generator ("EWG") or foreign utility company ("FUCO"), as those terms are defined in Sections 32 and 33 of the Act, respectively. None of the proceeds from the proposed transactions will be used by URI to acquire any securities of, or any interest in, an EWG or FUCO. Moreover, neither Unitil nor any subsidiary thereof is, or as a consequence of the proposed transaction will become, a party to, and such entities do not and will not have any rights under, a service, sales or construction contract with any EWGs or FUCOs except in accordance with the rules and regulations promulgated by the Commission with respect thereto. Consequently, all applicable requirements of Rule 53(a)-(c) are satisfied as required by Rule 54.

4. By amending Item 4 as follows:

Item 4. REGULATORY APPROVALS

Any Retail Energy Marketing activities by URI, and the rates and terms for those activities, must meet the requirements of state law and will be conducted in accordance with any requirements of the appropriate state utility regulatory commissions. Except as set forth above, no state regulatory body or agency and no Federal agency or commission, other than this Commission has jurisdiction over the activities related to the proposed release of jurisdiction and clarification described in the Application.

5. By amending and restating Item 5 as follows:

Item 5. PROCEDURE

A notice of the filing of the initial Application was issued by the Commission on March 8, 1996 (HCAR No. 26487) and no request for a hearing was received. The Applicants hereby respectfully request that the Commission enter as soon as possible, but no later than January 17, 1997 an appropriate order releasing jurisdiction over the Retail Energy Marketing

activities and clarifying the limits with respect to the provision of services by Unutil Service and granting and permitting this Application to become effective with respect to such matters.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the undersigned companies have duly caused this Post-Effective Amendment to the Application to be signed on their behalf by the undersigned thereunto duly authorized.

Unutil Corporation
Unutil Resources, Inc.
Unutil Service Corp.

By: /s/ Gail A. Siart
Gail A. Siart
Secretary and Treasurer
Unutil Corporation
Vice President and Treasurer
Unutil Resources, Inc.
Senior Vice President
Unutil Service Corp.

Date: January 13, 1997