

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**AMENDMENT NO. 1**  
**TO**  
**FORM S-3**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**UNITIL CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

**New Hampshire**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**02-0381573**  
(I.R.S. Employer  
Identification No.)

**6 Liberty Lane West, Hampton, New Hampshire 03842-1720**  
**(603) 772-0775**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Mark H. Collin**  
**Senior Vice President and Chief Financial Officer**  
**UNITIL CORPORATION**

**6 Liberty Lane West**  
**Hampton, New Hampshire 03842-1720**  
**(603) 772-0775**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

**CALCULATION OF REGISTRATION FEE**

Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)(3)
Common Stock, no par value	598,000 Shares	\$ 25.86	\$ 15,464,280	\$ 1,251.06

(1) Includes 78,000 shares of common stock issuable upon exercise of the underwriters' over-allotment option.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, based on the average of the high and low prices of the common stock as reported by the American Stock Exchange on August 27, 2003.

(3) Previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

[Table of Contents](#)

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated October 7, 2003

**PROSPECTUS**

**520,000 Shares**



**Common Stock**

Unitil Corporation is offering 520,000 shares of its common stock.

Our common stock is listed on the American Stock Exchange under the symbol "UTL." The last reported sale price of our common stock on the American Stock Exchange on October 3, 2003 was \$25.26 per share.

**Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 9 of this prospectus.**

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PRICE \$ PER SHARE

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	<u>Per Share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to Unitil Corporation	\$	\$

The underwriters may also purchase up to an additional 78,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of common stock will be ready for delivery on or about \_\_\_\_\_, 2003.

**RBC CAPITAL MARKETS**

**EDWARD D. JONES & Co., L.P.**

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, 2003



## TABLE OF CONTENTS

	<b>Page</b>
<a href="#">Prospectus Summary</a>	1
<a href="#">Risk Factors</a>	9
<a href="#">Cautionary Statement About Forward-Looking Statements</a>	15
<a href="#">Use of Proceeds</a>	16
<a href="#">Price Range of Common Stock and Dividends</a>	17
<a href="#">Capitalization</a>	18
	<b>Page</b>
<a href="#">Our Company</a>	19
<a href="#">Management</a>	26
<a href="#">Description of Common Stock</a>	29
<a href="#">Underwriting</a>	31
<a href="#">Legal Matters</a>	33
<a href="#">Experts</a>	33
<a href="#">Where You Can Find More Information</a>	33

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are offering to sell the shares and seeking offers to buy the shares only in jurisdictions where offers and sales are permitted. You should not assume that the information we have included in this prospectus is accurate as of any date other than the respective dates shown or that the information we have incorporated by reference to another document is accurate as of any date other than the date of such document. Our business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

In this prospectus, the “company,” “Unitil,” “we,” “us,” and “our” refer to Unitil Corporation and its subsidiaries, unless the context otherwise requires.

## PROSPECTUS SUMMARY

*This summary may not contain all of the information that may be important to you. We encourage you to read this entire prospectus, including “Risk Factors” and the additional information, including the financial data and related notes, included or incorporated by reference in this prospectus in their entirety, before making an investment decision.*

### Unitil Corporation

Our principal business is the retail distribution of electricity in the southeastern seacoast and capital city areas of New Hampshire and the retail distribution of both electricity and natural gas in the greater Fitchburg area of north central Massachusetts. Our regulated utility distribution subsidiaries serve approximately 112,000 electric and natural gas customers in our franchise areas. In addition to our utility distribution business, we also provide energy brokering and advisory services in the northeastern United States through our unregulated business unit. We have effectively divested our ownership interest in electric generating facilities and do not own or operate major transmission facilities. Rather, we are a local “pipes and wires” electric and natural gas distribution company with an investment in net utility plant of \$193.4 million at June 30, 2003. For the year ended December 31, 2002 and the six-month period ended June 30, 2003, our total revenues were approximately \$188.4 million and \$114.4 million, respectively. Net income applicable to common shareholders for the same periods was approximately \$5.8 million and \$3.9 million, respectively. Substantially all of our revenues and net income are derived from our regulated utility operations.

We are a registered public utility holding company under the Public Utility Holding Company Act of 1935, as amended (PUHCA), and we are the parent of the Unitil companies. We were incorporated under the laws of the State of New Hampshire in 1984.

### Our Electric Utility Operations

Our electric utility operations are conducted through our subsidiaries, Unitil Energy Systems, Inc. (UES) and Fitchburg Gas and Electric Light Company (FG&E). For the year ended December 31, 2002 and the six-month period ended June 30, 2003, the revenues from our electric utility operations were approximately \$167.3 million and \$96.1 million, respectively. Net income applicable to common shareholders from our electric utility operations for the year ended December 31, 2002 and the six-month period ended June 30, 2003, was approximately \$6.2 million and \$3.1 million, respectively.

The primary business of our electric utility operations is the local distribution of electricity to customers in our franchise areas. As a result of the implementation of industry restructuring mandated by the States of New Hampshire and Massachusetts, commonly referred to as retail choice, our customers are free to contract for their supply of electricity with third-party suppliers. Both UES and FG&E supply electricity to those customers who do not obtain their supply from third-party suppliers, with the actual costs associated with electricity supplied by us being recovered on a pass-through basis under periodically adjusted rates.

UES, through its predecessors, Concord Electric Company and Exeter & Hampton Electric Company, was incorporated in 1901. UES distributes electricity in our New Hampshire franchise areas to

## [Table of Contents](#)

approximately 70,000 retail customers. UES's 2002 retail electric operating revenues were approximately \$114.0 million, of which approximately 42% was derived from residential sales and 58% from commercial/industrial sales. UES's net income applicable to common shareholders for the same period was approximately \$2.8 million.

FG&E, which was incorporated in 1852, distributes electricity in our Massachusetts franchise area to approximately 27,000 retail customers. FG&E's 2002 retail electric operating revenues were approximately \$53.3 million, of which approximately 35% was derived from residential sales and 65% from commercial/industrial sales. FG&E's 2002 electric operations net income applicable to common shareholders was approximately \$3.4 million.

### **Our Gas Utility Operations**

Our gas utility operations are conducted through FG&E, which distributes natural gas to approximately 15,000 retail customers in our Massachusetts franchise area. For the year ended December 31, 2002 and the six-month period ended June 30, 2003, the revenues from our gas utility operations were approximately \$20.3 million and \$17.8 million, respectively. Net income applicable to common shareholders from our gas utility operations was a loss of approximately \$0.2 million for the year ended December 31, 2002. Net income applicable to common shareholders was approximately \$1.3 million for the six-month period ended June 30, 2003. Improved financial results are attributable, in part, to an increase in retail rates that went into effect in December 2002. The new rates are expected to generate approximately \$2.8 million in annual revenues for our gas operations, and also recognize higher annualized operating costs, depreciation and amortization expense, taxes and a return on our gas operations investments. In addition, colder-than-normal winter temperatures from January through June 2003 caused firm sales of natural gas to increase 21% compared to the same period in 2002.

As a result of the introduction of retail choice for all natural gas customers in Massachusetts, our customers are free to contract for their supply of natural gas with third-party suppliers. FG&E continues to provide natural gas supply services to those customers who do not obtain their supply from third-party suppliers, with the actual costs associated with natural gas supplied by us being recovered on a pass-through basis under periodically adjusted rates.

FG&E's 2002 gas operating revenues were approximately \$20.3 million, of which approximately 54% was derived from residential firm sales, 39% from commercial/industrial firm sales and 7% from commercial/industrial interruptible sales (which can be interrupted at our discretion).

### **Our Non-Regulated Operations**

Our non-regulated business is comprised of Unitil Resources, Inc. (Unitil Resources) and its subsidiaries, Usource, Inc. and Usource, L.L.C. (collectively, Usource). Unitil Resources provides energy brokering services, through Usource, as well as various energy consulting services to large commercial and industrial customers in the Northeastern United States. For the year ended December 31, 2002 and the six-month period ended June 30, 2003, the revenues from our non-regulated operations were approximately \$0.8 million and \$0.6 million, respectively. Net income applicable to common shareholders from our non-regulated operations for the year ended December 31, 2002 and the six-month period ended June 30, 2003, was a loss of approximately \$0.7 million and a loss of approximately \$0.5 million, respectively.

## Regulation and Restructuring

As a registered holding company under PUHCA, we are regulated by the Securities and Exchange Commission (SEC) with respect to various matters, including the issuance of securities, our capital structure and certain acquisitions and dispositions of assets. UES and FG&E are subject to regulation by the New Hampshire Public Utilities Commission (NHPUC) and the Massachusetts Department of Telecommunications and Energy (MDTE), respectively, with respect to their rates, issuance of securities and other accounting and operational matters. Certain aspects of our electric operations as they relate to wholesale and interstate business activities are also regulated by the Federal Energy Regulatory Commission (FERC). In the past several years, we have completed the restructuring of our electric and natural gas operations resulting from the implementation of retail choice as mandated by the States of New Hampshire and Massachusetts.

We have the franchise to deliver electricity and/or natural gas to all customers in our franchise areas, at rates established under traditional cost of service regulation. Under this regulatory structure, through their distribution charges, UES and FG&E recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. In 2002, we completed rate proceedings for all of our retail distribution operations and were authorized by the NHPUC and MDTE to implement increased rates for our electric and natural gas distribution operations beginning in December of that year. UES and FG&E also recover the actual cost of any electricity or natural gas they supply to their customers, as well as certain costs associated with restructuring, through periodically adjusted rates.

In connection with the implementation of retail choice for our customers in New Hampshire and Massachusetts, we effectively divested the long-term power supply contracts of Unitil Power Corp. (Unitil Power) and FG&E and the owned generation assets of FG&E. Unitil Power divested its long-term power supply contracts to a subsidiary of Mirant Corporation (Mirant) and FG&E divested its owned generation assets and long-term power supply contracts to Select Energy, Inc. (Select). Unitil Power's and FG&E's long-term power supply contracts were divested through the sale of the entitlements to the electricity associated with those contracts, and Unitil Power and FG&E remain ultimately responsible for payments for that power. UES and FG&E would seek to recover from their customers any costs not currently provided for in their rates which they may incur if either Mirant or Select were to fail to fulfill their obligations to purchase the entitlements to electricity provided for in those agreements. See "Risk Factors—Risks Relating to Our Business."

Although UES's and FG&E's electric customers have the option of contracting directly for their electricity needs with third-party suppliers, both companies remain the "provider of last resort" for their respective customers. Accordingly, UES and FG&E contract with wholesale power suppliers for the electricity necessary to meet that "provider of last resort" energy supply obligation. Similarly, FG&E's natural gas customers have the option to contract for their natural gas supply with third-party suppliers and FG&E remains the "provider of last resort" for these natural gas customers. The costs associated with the acquisition of such wholesale electric and natural gas supplies for customers who do not contract with third-party suppliers are recovered on a pass-through basis from those customers with no profit margin to UES or FG&E.

We have secured regulatory approval for the recovery, over the next eight to 10 years, of approximately \$213.7 million of power supply-related stranded costs due to the electric industry

restructuring in New Hampshire and Massachusetts. Also, we have implemented comprehensive customer and financial information systems to accommodate the transition to competitive energy markets and retail choice. Our electric customers in Massachusetts have had the ability to choose their electric energy supplier since March 1, 1998 and retail choice became available to our New Hampshire customers on May 1, 2003. In addition, we have adjusted our utility rates to reflect the overall cost of service as a restructured local electric and natural gas delivery company.

## Our Strengths

We believe our strengths have enabled us to grow our business profitably and create shareholder value. These strengths include:

**Growing Franchise Areas.** Our operations are located in the southeastern seacoast and state capital regions of New Hampshire, as well as in the greater Fitchburg area of north central Massachusetts. Together, these three franchise areas provide a diverse and growing customer base. Our total electric sales growth has consistently outpaced the average electric sales growth in New England. For example, our total kilowatt hours (kWh) sales growth has averaged 2.8% per year over the past 10 years as compared to 1.4% for New England. Over the past five years, our kilowatt hour sales growth to residential customers has averaged 3.5% as compared to 2.7% for New England.

**Regulated Asset Base.** Our core assets primarily consist of local distribution facilities (e.g., pipes and wires) necessary for the delivery of our customers' electric and natural gas supply needs within our franchise areas and regulatory assets arising from the restructuring of our electric and natural gas operations. Our electric and natural gas distribution assets and regulatory assets, from which we derive substantially all of our operating income, provide stable earnings and cash flow. Over the past five years, we have invested \$67.0 million and \$19.0 million in capital additions and improvements in our electric and natural gas distribution businesses, respectively, and increased our net utility plant by 4.5% on average per year. We intend to continue investing in our local electric and natural gas utility distribution systems to increase our customer base. We also intend to seek opportunities to expand our regulated utility distribution business through the acquisition of other electric and natural gas distribution properties in our region. While we have considered potential acquisition opportunities over the past several years, no such acquisitions have been consummated and we are not currently party to any binding acquisition agreement or commitment.

**Diversified Customer Base.** Our customers are a diversified mix of residential, commercial and industrial customers, with no single customer representing more than 5% of our total revenues. Our sales to large commercial and industrial customers are not concentrated in one industry segment, but vary from government facilities to large retail outlets, colleges, hospitals and a broad range of industrial companies that reflect the diverse nature of the communities that we serve.

**Small Size Advantage.** We believe that due in part to our smaller size relative to other electric and natural gas utilities, we are able to expeditiously and effectively respond to changing legislative and regulatory rules governing our utility business, adopt new business practices and technology solutions to improve productivity, and implement organizational changes to successfully manage our business. We have a proven track record of successfully transitioning our company to meet the business and operational challenges brought about by the restructuring of our industry over the last five years.



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[Table of Contents](#)

**Historic Dividend Stability.** Since our incorporation in 1984, we have continuously paid quarterly dividends and we have never reduced our dividend rate, while still increasing our investment in our utility distribution facilities.

**Experienced Management Team.** Our senior management team is highly experienced in the utility industry. Our Chairman and CEO, Robert Schoenberger, has 25 years of industry experience. Our senior management team as a whole averages approximately 18 years experience in the industry. We recently streamlined and reorganized our management team to improve efficiency and to meet ongoing business requirements.

### **FG&E Notes Issuance**

We currently plan for FG&E to issue and sell \$10 million aggregate principal amount of long-term unsecured indebtedness in the near future, the proceeds of which we expect to use to repay short-term indebtedness of FG&E. FG&E has received a non-binding commitment from a major insurance company to purchase \$10 million of FG&E's long-term notes with a term of 22 years at a coupon rate of 6.79%, subject to negotiation and execution by the parties of a purchase agreement and the receipt of regulatory approvals. We expect to close this transaction on or about October 28, 2003. We cannot assure you, however, that FG&E will be able to consummate its debt issuance as planned or at all. The notes will not be, and have not been, registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

\* \* \*

Our principal executive office is located at 6 Liberty Lane West, Hampton, New Hampshire 03842-1720 and our telephone number is (603) 772-0775.

## THE OFFERING

Common stock offered by Unitil Corporation	520,000 shares
Common stock outstanding after this offering	5,293,465 shares
Use of proceeds	We intend to use the net proceeds from this offering to make an initial equity infusion in cash directly into our two utility operating subsidiaries, UES and FG&E, as well as for other general corporate purposes. See "Use of Proceeds."
Risk factors	For a discussion of factors you should consider before buying shares of our common stock, we refer you to "Risk Factors."
American Stock Exchange symbol	UTL
Current indicated annual dividend	\$1.38 per share

The number of shares of our common stock shown above to be outstanding after this offering is based on the number of shares outstanding as of September 30, 2003, and excludes (i) 122,972 shares of common stock issuable upon exercise of stock options outstanding as of September 30, 2003 and (ii) 581,601 shares of common stock reserved for issuance under our stock incentive plans.

Unless we indicate otherwise, the share information in this prospectus assumes that the underwriters' option to cover over-allotments is not exercised. See "Underwriting."

## SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table contains summary historical consolidated financial information, including historical per share information for each of the periods indicated. The summary historical financial information as of and for each of the years in the three-year period ended December 31, 2002 was derived from our financial statements as filed with the SEC in our Annual Report on Form 10-K for the year ended December 31, 2002, which were audited by Grant Thornton LLP, and the summary historical financial information as of and for the six-month periods ended June 30, 2003 and 2002 was derived from our unaudited financial statements as filed with the SEC in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, all of which are incorporated by reference in this prospectus. See “Where You Can Find More Information.”

The summary historical consolidated financial information should be read in conjunction with our audited financial statements, our unaudited interim financial data and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Annual Report on Form 10-K for the year ended December 31, 2002, which are incorporated by reference in this prospectus. Our financial results for the six-month period ended June 30, 2003 included or incorporated by reference in this prospectus are not necessarily indicative of the results that may be expected for an entire year. The following table includes a line item identified as “Earnings per common share before restructuring charges and other items.” Our management views this presentation as important to potential investors to highlight significant historical financial events that have occurred but that are not expected to recur in future years.

[Table of Contents](#)

	For the Six Months Ended June 30,		For the Year Ended December 31,			
	2003	2002	2002	2001	2000	
	(unaudited)		(audited)			
	(in thousands, except shares and per share data)					
<b>Income Statement Data:</b>						
Operating revenues	\$ 114,431	\$ 89,806	\$ 188,386	\$ 207,022	\$ 182,941	
Purchased power & gas	78,347	59,508	125,741	146,774	123,772	
Operation & maintenance	14,256	12,116	25,667	25,000	24,545	
Restructuring charge	—	—	1,598	—	—	
Depreciation & amortization	9,264	7,156	14,911	12,767	11,964	
Taxes & other	4,520	4,179	7,221	8,087	8,380	
Operating income	8,044	6,847	13,248	14,394	14,280	
Interest expense, net	3,927	3,726	7,057	6,797	6,820	
Extraordinary item, net of tax	—	—	—	3,937	—	
Investment write-down, net of tax	—	—	(82)	2,400	—	
Other non-operating expenses	102	9	185	170	244	
Net income	4,015	3,112	6,088	1,090	7,216	
Preferred dividends	118	127	253	257	263	
Net income applicable to common shareholders	\$ 3,897	\$ 2,985	\$ 5,835	\$ 833	\$ 6,953	
Average shares outstanding—basic	4,746,158	4,743,696	4,743,696	4,743,576	4,723,171	
Average shares outstanding—diluted	4,763,884	4,767,282	4,762,166	4,759,822	4,742,745	
Earnings per common share—basic and diluted	\$ 0.82	\$ 0.63	\$ 1.23	\$ 0.18	\$ 1.47	
Restructuring charges and other items per share:						
Restructuring charge per share, net of tax	—	—	(0.20)	—	—	
Investment write-down per share, net of tax	—	—	—	(0.50)	—	
Extraordinary item per share, net of tax	—	—	—	(0.83)	—	
Earnings per common share before restructuring charges and other items	\$ 0.82	\$ 0.63	\$ 1.43	\$ 1.51	\$ 1.47	
Dividends declared per share	\$ 1.04 <sup>(a)</sup>	\$ 1.04 <sup>(a)</sup>	\$ 1.38	\$ 1.38	\$ 1.38	
<b>Other Operating Data:</b>						
Electric distribution sales (000's of kilowatt-hours)	845,005	790,885	1,659,136	1,596,390	1,587,536	
Firm gas distribution sales (000's of therms)	17,086	14,127	22,480	23,067	23,992	
			As of June 30,	As of December 31,		
			2003	2002	2002	2001
			(unaudited)		(audited)	
			(in thousands)			
<b>Balance Sheet Data:</b>						
Net utility plant		\$ 193,358	\$ 182,188	\$ 188,592	\$ 178,288	
Regulatory assets		249,372	145,932	244,011	146,042	
Total assets		488,130	368,118	480,783	376,762	
Common equity		73,318	73,000	74,350	74,746	
Preferred stock		3,269	3,575	3,322	3,609	
Long-term debt, less current portion		101,096	104,350	104,226	107,470	
Short-term debt, including current portion of Long-term debt		45,742	22,733	39,233	17,024	

(a) Includes three quarterly dividends.

## RISK FACTORS

*Before making an investment in shares of our common stock, you should carefully consider the risks described below, as well as the information included or incorporated by reference in this prospectus. We have identified a number of these factors in our Annual Report on Form 10-K for the year ended December 31, 2002 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003 and June 30, 2003, all of which are specifically incorporated by reference into this prospectus. See “Where You Can Find More Information.” In addition, you should carefully consider the risks and uncertainties referred to below or listed under “Cautionary Statement About Forward-Looking Statements.”*

### **Risks Relating to Our Business**

***Risks related to the regulation of our businesses could impact the rates we are able to charge, our costs and our profitability.***

We are subject to comprehensive regulation by federal and state regulatory authorities, which significantly influences our operating environment and our ability to recover costs from our customers. In particular, we are regulated by the SEC under PUHCA, and by FERC and state regulatory authorities with jurisdiction over public utilities, including the NHPUC and the MDTE. These authorities regulate many aspects of our operations, including, but not limited to, construction and maintenance of facilities, operations, safety, issuance of securities, accounting matters, transactions between affiliates, the rates that we can charge customers and the rate of return that we are allowed to realize. Our ability to obtain rate adjustments to maintain our current rate of return depends upon regulatory action under applicable statutes, rules and regulations, and we cannot assure you that we will be able to obtain rate adjustments or continue receiving our current authorized rates of return. These regulatory authorities are also empowered to impose financial penalties and other sanctions on us if we are found to have violated statutes and regulations governing our utility operations.

We are unable to predict the impact on our operating results from the regulatory activities of any of these agencies. Although we have attempted to actively manage the rate making process and have had recent success in obtaining rate increases, we can offer no assurances as to future success in the rate making process. Despite our requests, these regulatory commissions have authority under applicable statutes, rules and regulations to leave our rates unchanged, grant increases or order decreases in such rates. They have similar authority with respect to the recovery of our electricity and natural gas supply costs incurred by UES and FG&E in their role as a “provider of last resort” for customers who do not contract with third-party suppliers, or whose third-party supplier fails to deliver. See “Prospectus Summary—Unitil Corporation” and “—Regulation and Restructuring.” In the event that we are unable to recover these costs, our operating results could be materially adversely affected. Changes in regulations or the imposition of additional regulations could also have an adverse effect on our operating results.

***As a result of industry restructuring, we have a significant amount of certain stranded and energy supply costs, which are subject to recovery in future periods.***

The stranded costs resulting from the implementation of industry restructuring mandated by the States of New Hampshire and Massachusetts and the cost of purchase power we incur as the “provider of last resort” on behalf of our customers are recovered by us on a direct pass-through basis through periodically adjusted rates. As a result of restructuring legislation in Massachusetts, however, the total rate we may charge for the combination of our distribution costs, stranded costs and purchased power costs is subject to an inflation adjusted total rate cap for a seven-year period, which began in March 1998. Any unrecovered

## [Table of Contents](#)

balance of purchased power or stranded costs as a result of this total rate cap is deferred for future recovery as a regulatory asset. Such regulatory assets are subject to periodic regulatory review and approval for recovery in future periods. In New Hampshire, there is no cap on total rates. The recovery of purchased power and stranded costs through periodically adjusted rates, however, is based upon forward-looking projections, and any difference between the projected and actual costs is deferred for future recovery and is subject to regulatory review and approval.

Our power supply related stranded costs due to the electric industry restructuring in New Hampshire and Massachusetts for which regulatory approval has been obtained for recovery were approximately \$106.2 million for FG&E and \$107.5 million for Unitil Power as of June 30, 2003. Substantially all of FG&E's stranded costs relate to owned generation assets and long-term power purchase agreements sold by FG&E to Select. Approximately \$57.6 million of Unitil Power's stranded costs are attributable to the long-term power purchase agreements sold by Unitil Power to a subsidiary of Mirant, as discussed below. Because FG&E and Unitil Power remain ultimately responsible for payments under the power purchase agreements sold by them, if either Select or Mirant were to fail to fulfill their obligations to purchase the entitlements to electricity provided for in those agreements, FG&E and Unitil Power could incur additional stranded costs were they to resell such entitlements for amounts less than the amounts agreed to be paid by Select and Mirant. We expect that any such additional stranded costs would be recovered from our customers, although such recovery would require approval from the MDTE or NHPUC, the receipt of which cannot be assured.

***The Chapter 11 bankruptcy filing of Mirant and its affiliates may indicate that Mirant Americas Energy Marketing, LP will be unable to fulfill its obligations to us under a material contract, which may adversely affect our financial condition and earnings.***

Unitil Power, UES and Mirant Americas Energy Marketing, LP, a subsidiary of Mirant, entered into an agreement on February 25, 2003, under which Mirant Americas Energy Marketing, LP is obligated to purchase the power supply entitlements to Unitil Power's long-term power supply portfolio and, separately, to supply the electricity necessary for UES to meet its obligations as the "provider of last resort" for its customers. The amount of Unitil Power's recoverable stranded costs related to that agreement, calculated on the basis of the amounts agreed to be paid by the parties under that agreement, was determined by the NHPUC to be \$57.6 million, with a recovery over approximately eight years. On July 14, 2003, Mirant and certain of its direct and indirect U.S. subsidiaries filed for bankruptcy under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas. Mirant has indicated that it will continue to operate post-petition in the normal course of business and will continue to honor its obligations under its agreement with Unitil Power and UES until a decision is made by Mirant to either assume or reject that agreement. As of July 14, 2003, the pre-petition amount owed by Mirant under the agreement to Unitil Power was approximately \$5.3 million. UES and Unitil Power have elected to hold back pre-petition amounts due to Mirant totaling \$5.3 million against this amount due from Mirant, and have filed a motion in the Bankruptcy Court to compel Mirant to assume or reject the agreement by no later than December 1, 2003. Mirant has disputed our right to hold back such amounts but has not yet responded to the motion to compel it to assume or reject the agreement by December 1, 2003. Should Mirant and Mirant Americas Energy Marketing, LP not assume the agreement, we would sell the electricity under those power supply agreements into the New England power market on a short-term basis and would seek to resell the entire portfolio on a long-term basis. The actual stranded costs we would incur should Mirant not perform under the agreement would likely be different than the \$57.6 million which has been approved for recovery by the NHPUC. Should the actual stranded costs exceed \$57.6 million, recovery of the excess would be subject to the approval of the NHPUC. Should the NHPUC disallow recovery of some or all of any increased stranded costs, it would adversely affect our financial condition and earnings.

## [Table of Contents](#)

***Our electric and natural gas sales and revenues are highly correlated with the economy, and national, regional and local economic conditions may negatively impact our customers and correspondingly our operating results and financial condition.***

Our business is influenced by the economic activity of our franchise areas. The level of economic growth in our electric and natural gas distribution franchise areas directly affects our potential for future growth in our business. As a result, adverse changes in the economy may have negative effects on our revenues, operating results and financial condition.

***Declines in the valuation of capital markets could require us to make substantial cash contributions to cover our pension obligations, which could negatively impact our financial condition. In addition, the recovery of certain pension obligations is subject to regulatory risks.***

In 2002, we did not make any cash contributions to our pension plans. However, due to the decline in the valuation of capital markets in recent years, we plan to make voluntary cash contributions to our pension plans of up to \$1 million per year for the 2003 and 2004 plan years, and may be required to make cash contributions to our pension plans beginning with the 2005 plan year. If the valuation of capital markets were to significantly decline from current levels, we may be required to make cash contributions to our pension plans substantially in excess of the levels currently anticipated, which could adversely affect our financial condition.

In addition, in December 2002, FG&E and UES received approval from their respective state regulatory commissions to account for certain pension obligations aggregating to \$12 million as a regulatory asset, avoiding a reduction in equity that would have been triggered by the substantial decline in the valuation of the capital markets. These regulatory orders do not pre-approve the amount of pension expense to be recovered in future rates and any such recovery will be subject to review and approval in future rate proceedings.

***Increases in interest rates could have a negative impact on our financial condition.***

Our subsidiaries have ongoing capital expenditure requirements which they frequently fund through borrowings from outside lenders. Changes in interest rates do not affect interest expense associated with our subsidiaries' presently outstanding long-term debt securities. However, our subsidiaries periodically issue new long-term debt securities either to refinance short-term borrowings or to fund capital expenditures. Changes in interest rates may affect the interest rate and corresponding interest expense on any such new long-term debt securities. In addition, our subsidiaries' short-term borrowings are at variable rates of interest. As a result, changes in short-term interest rates will increase or decrease our interest expense associated with short-term borrowings. Increases in interest rates generally will increase our borrowing costs and could adversely affect our financial condition or results of operations.

***Weather conditions may cause our sales to vary from year to year.***

Our utility operating sales vary from year to year, depending on weather conditions. We estimate that approximately 90% of our annual natural gas sales are temperature sensitive. As a result, mild winter temperatures can cause a decrease in the amount of gas we sell in any year, particularly during the winter heating season. Our electric sales are generally less sensitive to weather than our gas sales, but may also be affected by weather conditions in both the winter and summer seasons.

## [Table of Contents](#)

***We are a holding company and have no operating income of our own. Our ability to pay dividends on our common stock is dependent on dividends received from our subsidiaries and on factors directly affecting us, the parent corporation. We cannot assure you that our current annual dividend will be paid in the future.***

We are a public utility holding company, registered under PUHCA, and we do not have any operating income of our own. Consequently, our ability to pay dividends on our common stock is dependent on dividends and other payments received from our subsidiaries, principally FG&E and UES. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts to us, whether through dividends, loans or other payments. The ability of our subsidiaries to pay dividends or make distributions to us will depend on, among other things:

- the actual and projected earnings and cash flow, capital requirements and general financial condition of our subsidiaries;
- the prior rights of holders of existing and future preferred stock, mortgage bonds, long-term notes and other debt issued by our subsidiaries;
- the restrictions on the payment of dividends contained in the existing loan agreements of UES and FG&E and that may be contained in future debt agreements of our subsidiaries, if any;
- limitations imposed by PUHCA and New Hampshire and Massachusetts state regulatory agencies, which, among other things, prohibit the payment of dividends by subsidiaries of a registered public utility holding company out of capital or unearned surplus without the prior approval of the SEC or the New Hampshire and Massachusetts state regulatory bodies.

In addition, we may incur indebtedness in the future. Before we can pay dividends on our common stock, we have to satisfy our debt obligations and comply with any statutory or contractual limitations.

Our current annual dividend is \$1.38 per share of common stock, payable quarterly. However, our board of directors reviews our dividend policy periodically in light of the factors referred to above, and we cannot assure you of the amount of dividends, if any, that may be paid in the future.

***Transporting and storing natural gas and supplemental gas supplies, as well as electricity, involve numerous risks that may result in accidents and other operating risks and costs.***

Inherent in our gas and electric distribution activities are a variety of hazards and operating risks, such as leaks, explosions, electrocutions and mechanical problems that could cause substantial financial losses. In addition, these risks could result in loss of human life, significant damage to property, environmental pollution, and impairment of our operations and substantial losses to us. In accordance with customary industry practice, we maintain insurance against some, but not all, of these risks and losses. The location of pipelines, storage facilities and electric distribution equipment near populated areas, including residential areas, commercial business centers and industrial sites, could increase the level of damages resulting from these risks. The occurrence of any of these events not fully covered by insurance could adversely affect our financial position and results of operations.



## [Table of Contents](#)

***Our business is subject to environmental regulation in all jurisdictions in which we operate and our costs of compliance are significant. Any changes in existing environmental regulation and the incurrence of environmental liabilities could negatively affect our results of operations and financial condition.***

Our utility operations are generally subject to extensive federal, state and local environmental laws and regulations relating to air quality, water quality, waste management, natural resources and the health and safety of our employees. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties; imposition of remedial requirements; and even issuance of injunctions to ensure future compliance. Liability under certain environmental laws is strict, joint and several in nature. Although we believe we are in general compliance with all applicable environmental and safety laws and regulations, there can be no assurance that significant costs and liabilities will not be incurred in the future. Moreover, it is possible that other developments, such as increasingly stringent federal, state or local environmental laws and regulations, could result in increased environmental compliance costs.

In particular, FG&E formerly operated a manufactured gas plant at a site in Fitchburg, Massachusetts, which created certain environmental conditions for which FG&E is responsible. FG&E has conducted remediation work at this site in accordance with a permit issued by the Massachusetts Department of Environmental Protection which allows FG&E to work towards temporary remediation of the site. The site is now in a temporary closure status, which requires FG&E to monitor the site until a permanent remediation alternative can be developed and completed. Since 1991, FG&E has recovered from its gas customers the costs associated with monitoring and remediating this site pursuant to a settlement with the MDTE. Should the costs associated with an eventual permanent remediation plan for this site be substantial, it could have a material adverse impact on FG&E's liquidity, since such remediation costs are deferred and recovered by FG&E from its gas customers over a seven-year period or longer. Also, because FG&E's settlement with the MDTE does not allow it to collect from its gas customers the interest expense associated with such costs, FG&E's financial results would be adversely affected.

***Catastrophic events could have a material adverse effect on our financial condition or results of operations.***

The electric and natural gas utility industries are from time to time affected by catastrophic events, such as unusually severe weather and significant and widespread failures of plant and equipment (such as the August 2003 failure of the electric transmission grid in parts of the midwestern and northeastern United States and Canada). Other catastrophic occurrences, such as terrorist attacks on utility facilities, may occur in the future. Such events could have a material adverse effect on us, since they could inhibit our ability to continue providing electric and/or gas distribution services to our customers for an extended period, which is the principal source of our operating income.

### **Risks Relating to This Offering**

***Our stock price may decline when our results decline or when events occur that are adverse to us or our industry.***

You can expect the market price of our common stock to decline when our quarterly results decline or at any time when events actually or potentially adverse to us or the electric and gas industry occur. Our common stock price may decline to a price below the price you paid to purchase your shares of common stock in this offering.

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[Table of Contents](#)

***Substantial sales of our common stock could cause our stock price to decline.***

If our existing shareholders sell a large number of shares of our common stock or the public market perceives that existing shareholders might sell shares of common stock, the market price of our common stock could significantly decline. All of the shares offered by this prospectus will be freely tradable without restriction or further registration under the federal securities laws unless purchased by an “affiliate,” as that term is defined in Rule 144 under the Securities Act of 1933. The outstanding shares of our directors and our senior executive officers are subject to lock-up agreements and may not be sold for 60 days after the date of this prospectus, except as noted in “Underwriting.”

## CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This prospectus and the documents we incorporate by reference into this prospectus contain statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this prospectus, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for our future operations, are forward-looking statements.

These statements include declarations regarding our or our management’s beliefs and current expectations. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include those described under “Risk Factors” and the following:

- variations in weather;
- changes in the regulatory environment;
- customers’ preferences on energy sources;
- interest rate fluctuation and credit market concerns;
- general economic conditions;
- increased competition; and
- fluctuations in supply, demand, transmission capacity and prices for energy commodities.

Many of these risks are beyond our control. Any forward-looking statements speak only as of the date of this prospectus, and we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors, nor can we assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements.

## USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$12.2 million (approximately \$14.1 million if the underwriters' over-allotment option is exercised in full), after deducting the underwriting discounts and commissions and our estimated offering expenses, based on an assumed offering price of \$25.26 per share (the closing price of our common stock on the American Stock Exchange on October 3, 2003).

We intend to use the proceeds from this offering to make an initial equity infusion of cash directly into our two principal utility operating subsidiaries, UES and FG&E, as well as for other general corporate purposes. The cash contributions to UES and FG&E will be an aggregate of approximately \$12 million with each subsidiary receiving about one-half of this amount, or \$6 million. These cash contributions will become part of the permanent capitalization of UES and FG&E, replacing interim financings they have incurred through unsecured short-term lines of credit, in support of their utility operations and ongoing investment in our utility distribution facilities. On September 30, 2003, the weighted average interest rate of our short-term indebtedness was approximately 1.8% and the longest maturity of such borrowings was approximately 30 days.

## PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is traded on the American Stock Exchange under the symbol "UTL." As of September 30, 2003, there were 1,926 shareholders of record.

The following table sets forth the range of high and low intra-day market prices per share of our common stock as reported on the American Stock Exchange composite tape and the dividends paid per share for the periods indicated. The closing price of our common stock on the American Stock Exchange was \$25.26 on October 3, 2003. Past performance is not necessarily indicative of future price performance. You should obtain current market quotations for shares of our common stock.

	Price Range		Dividends Per Share
	High	Low	
<b>2001:</b>			
First Quarter	\$27.24	\$24.76	\$ 0.345
Second Quarter	27.50	24.75	0.345
Third Quarter	25.50	22.50	0.345
Fourth Quarter	25.45	22.95	0.345
<b>2002:</b>			
First Quarter	\$27.50	\$22.88	\$ 0.345
Second Quarter	31.40	26.00	0.345
Third Quarter	29.90	25.30	0.345
Fourth Quarter	27.35	24.70	0.345
<b>2003:</b>			
First Quarter	\$26.34	\$23.30	\$ 0.345
Second Quarter	26.00	23.05	0.345
Third Quarter	26.17	24.03	0.345
Fourth Quarter (through October 3, 2003)	25.26	25.05	0.345

On September 26, 2003, our board of directors declared a dividend in the amount of \$0.345 per share, payable on November 14, 2003 to shareholders of record on October 31, 2003. This dividend will be paid on shares of common stock offered by this prospectus.

## CAPITALIZATION

The table below shows our capitalization as of June 30, 2003:

- on an actual consolidated basis;
- on a pro forma basis to give effect to the issuance by FG&E of \$10 million aggregate principal amount of long-term unsecured notes, which is subject to negotiation and execution by the parties of a purchase agreement and the receipt of regulatory approvals and is not contingent on this offering. See “Prospectus Summary — FG&E Notes Issuance;”
- on an as adjusted basis to give effect to the receipt of the estimated net proceeds of approximately \$12.2 million from the issuance of 520,000 shares of common stock in this offering, which is not contingent on the note issuance by FG&E, at an assumed public offering price of \$25.26 per share and the application of the estimated net proceeds from this offering. See “Use of Proceeds;” and
- on a pro forma as adjusted basis to give effect to the events described in the two preceding bullet points.

You should read this table in conjunction with our consolidated financial statements and the related notes incorporated by reference in this prospectus.

### As of June 30, 2003

	Actual	Pro Forma Adjustments	Adjustments for this Offering	Pro Forma As Adjusted
	(unaudited, in thousands)			
Common stock equity	\$ 73,318		\$ 12,244	\$ 85,562
Preferred stock, non-redeemable, non-cumulative	225			225
Preferred stock, redeemable, cumulative	3,044			3,044
Long-term debt, less current portion	101,096	10,000		111,096
Short-term debt(1)	45,742	(10,000)	(12,244)	23,498
<b>Total capitalization, including short-term debt</b>	<b>\$ 223,425</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 223,425</b>

(1) Includes \$3,252 for the current portion of long-term debt.

## OUR COMPANY

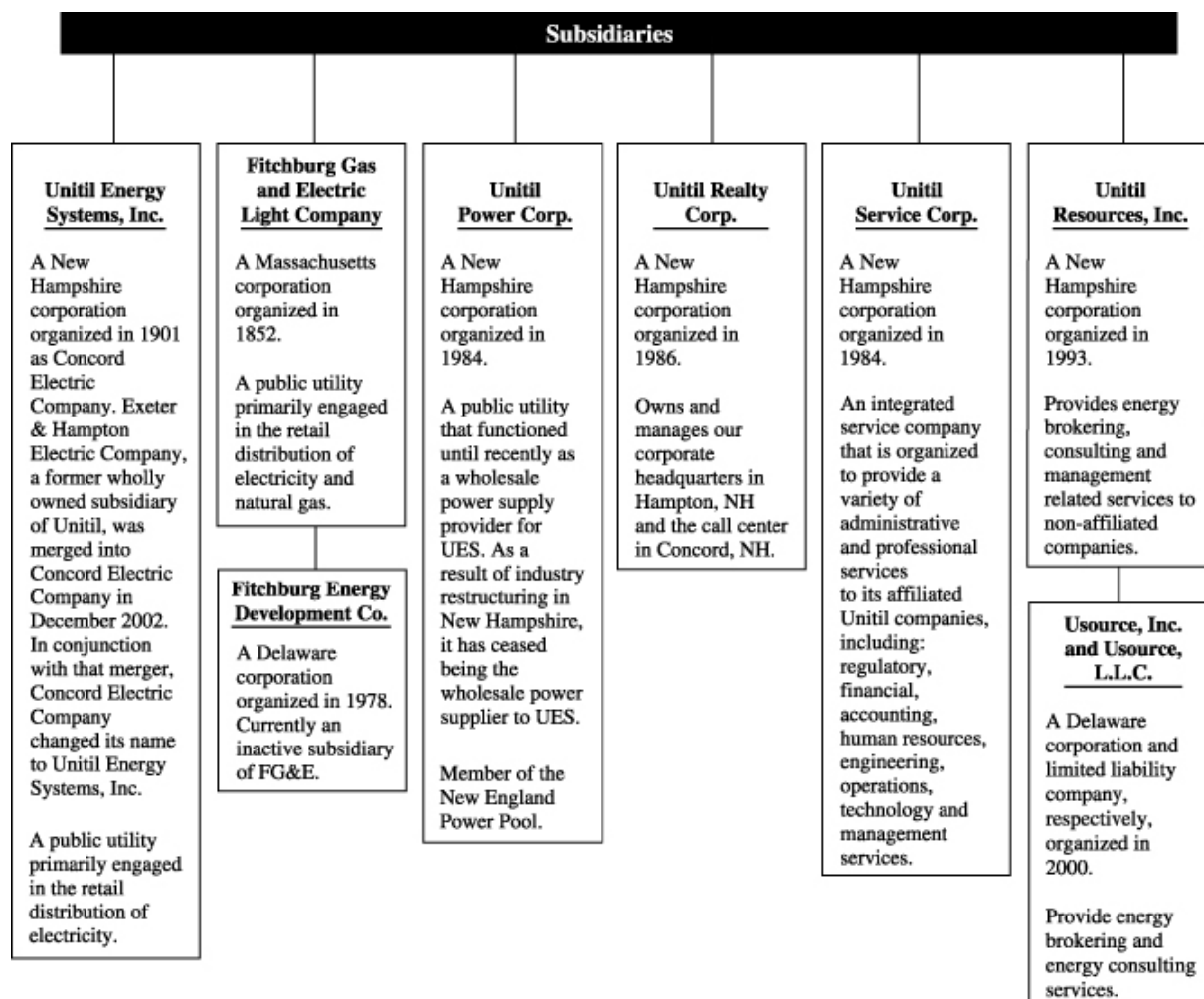
Our principal business is the retail distribution of electricity in the southeastern seacoast and capital city areas of New Hampshire and the retail distribution of both electricity and natural gas in the greater Fitchburg area of north central Massachusetts, through our two subsidiaries, UES and FG&E, collectively referred to as the retail distribution utilities. Our retail distribution utilities serve approximately 112,000 electric and natural gas customers in our franchise areas. We have effectively divested our ownership interest in electric generating facilities and do not own or operate major transmission facilities. Rather, we are a local “pipes and wires” electric and natural gas distribution company with an investment in net utility plant of \$193.4 million at June 30, 2003. For the year ended December 31, 2002 and the six-month period ended June 30, 2003, our total revenues were approximately \$188.4 million and \$114.4 million, respectively. Net income applicable to common shareholders for the same periods was approximately \$5.8 million and \$3.9 million, respectively. Substantially all of our revenues and net income are derived from our regulated utility operations.

We were incorporated under the laws of the State of New Hampshire in 1984. We are a registered public utility holding company under PUHCA, and we are the parent of the Unitil companies. UES’s predecessor companies have been in existence since the early twentieth century and FG&E has been in existence since the 1850s.

A third subsidiary, Unitil Power, is a public utility that formerly functioned as the wholesale power supply provider for UES prior to the implementation of industry restructuring in New Hampshire. As a result of industry restructuring, Unitil Power has ceased being the wholesale power supplier to UES.

We have three additional wholly owned subsidiaries: Unitil Realty, Unitil Service and Unitil Resources. Unitil Realty owns and manages our corporate office building and property located in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology and management services to its affiliated Unitil companies. Unitil Resources is our wholly owned unregulated subsidiary that provides energy brokering, consulting and management related services. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly owned subsidiaries of Unitil Resources. Usource provides energy brokering services, as well as various energy consulting services to large commercial and industrial customers in the northeastern United States.

The following companies are the subsidiaries of Unitil:





## **Our Operations**

### ***Our Electric Utility Operations***

Our electric utility operations are conducted through our subsidiaries, UES and FG&E. For the year ended December 31, 2002 and the six-month period ended June 30, 2003, the revenues from our electric utility operations were approximately \$167.3 million and \$96.1 million, respectively. Net income applicable to common shareholders from our electric utility operations for the year ended December 31, 2002 and the six-month period ended June 30, 2003, was approximately \$6.2 million and \$3.1 million, respectively.

The primary business of our electric utility operations is the local distribution of electricity to customers in our franchise areas. As a result of the implementation of retail choice in New Hampshire and Massachusetts, our customers are free to contract for their supply of electricity with third-party suppliers. Both UES and FG&E supply electricity to those customers who do not obtain their supply from third-party suppliers, with the actual costs associated with electricity supplied by us being recovered on a pass-through basis under periodically adjusted rates.

UES is engaged principally in the retail distribution of electricity to approximately 70,000 customers in New Hampshire in the cities of Concord, Exeter and Hampton, as well as 12 towns surrounding Concord and all or part of 16 towns surrounding Exeter and Hampton. UES's franchise areas consist of approximately 408 square miles in the Merrimack River Valley of south central New Hampshire and in southeastern New Hampshire.

The State of New Hampshire's government operations are located within UES's franchise areas, including the executive, legislative and judicial branches and offices and facilities for all major state government services. In addition, UES's franchise areas are retail trading and recreation centers for the north central and southeastern parts of the state. These areas serve diversified commercial and industrial businesses, including manufacturing firms engaged in the production of sportswear, automobile parts and electronic components. Our franchise areas include several popular resort areas and beaches along the Atlantic Ocean. UES's 2002 retail electric operating revenues were approximately \$114.0 million, of which approximately 42% was derived from residential sales and 58% from commercial/industrial sales. UES's net income applicable to common shareholders for the same period was approximately \$2.8 million.

FG&E is engaged principally in the retail distribution of both electricity and natural gas in the city of Fitchburg and several surrounding communities. FG&E's franchise area encompasses approximately 170 square miles in north central Massachusetts. Electricity is supplied and distributed by FG&E to approximately 27,000 customers in the communities of Fitchburg, Ashby, Townsend and Lunenburg. FG&E's industrial customers include paper manufacturing and paper products companies, rubber and plastics manufacturers, chemical products companies and printing, publishing and allied industries. FG&E's 2002 retail electric operating revenues were approximately \$53.3 million, of which approximately 35% was derived from residential sales and 65% from commercial/industrial sales. FG&E's 2002 electric operations net income applicable to common shareholders was approximately \$3.4 million.

### ***Our Gas Utility Operations***

Natural gas is supplied and distributed by FG&E to approximately 15,000 customers in the communities of Fitchburg, Lunenburg, Townsend, Ashby, Gardner and Westminster, all located in Massachusetts. For the year ended December 31, 2002 and the six-month period ended June 30, 2003, the revenues from our gas utility operations were approximately \$20.3 million and \$17.8 million, respectively. Net income applicable to common shareholders from our gas utility operations was a loss of approximately

## [Table of Contents](#)

\$0.2 million for the year ended December 31, 2002. Net income applicable to common shareholders was approximately \$1.3 million for the six-month period ended June 30, 2003. Improved financial results are attributable, in part, to an increase in retail rates that went into effect in December 2002. The new rates are expected to generate approximately \$2.8 million in annual revenues for our gas operations, and also recognize higher annualized operating costs, depreciation and amortization expense, taxes and a return on our gas operations investments. In addition, colder-than-normal winter temperatures from January through June 2003 caused firm sales of natural gas to increase 21% compared to the same period in 2002.

As a result of the introduction of retail choice for all natural gas customers in Massachusetts, our customers are free to contract for their supply of natural gas with third-party suppliers. FG&E continues to provide natural gas supply services to those customers who do not obtain their supply from third-party suppliers, with the actual costs associated with natural gas supplied by us being recovered on a pass-through basis under periodically adjusted rates.

FG&E's 2002 gas operating revenues were approximately \$20.3 million, of which approximately 54% was derived from residential firm sales, 39% from commercial/industrial firm sales and 7% from commercial/industrial interruptible sales (which can be interrupted at our discretion).

### ***Seasonality***

Natural gas sales in New England are seasonal, and our results of operations reflect this seasonal nature. Accordingly, results of operations are typically positively impacted by gas operations during the five heating season months from November through March of the following year. Electric sales in New England are far less seasonal than natural gas sales; however, the highest usage typically occurs in the summer and winter months due to air conditioning and heating requirements, respectively.

### ***Our Non-Regulated Operations and Other***

Our non-regulated business is comprised of Unitil Resources and its subsidiaries, Usource, Inc. and Usource. Unitil Resources provides energy brokering services, through Usource, as well as various energy consulting services to large commercial and industrial customers in the northeastern United States. For the year ended December 31, 2002 and the six-month period ended June 30, 2003, the revenues from our non-regulated operations were approximately \$0.8 million and \$0.6 million, respectively. Net income applicable to common shareholders from our non-regulated operations for the year ended December 31, 2002 and the six-month period ended June 30, 2003, was a loss of approximately \$0.7 million and a loss of approximately \$0.5 million, respectively.

Our other subsidiaries include Unitil Realty and Unitil Service, which provide centralized facilities, management and administrative services to our regulated and non-regulated operating subsidiaries. Net income applicable to common shareholders includes the earnings of the holding company and these subsidiaries. The net income of these subsidiaries is principally derived from income earned on short-term investments and real property owned for the Unitil companies' use and is reported in Other segment income. Other segment net income applicable to common shareholders for the year ended December 31, 2002 and the six-month period ended June 30, 2003 was \$456,000 and \$12,000, respectively.

### ***Regulation and Restructuring***

As a registered holding company under PUHCA, we are regulated by the SEC with respect to various matters, including the issuance of securities, our capital structure and certain acquisitions and dispositions of

## [Table of Contents](#)

assets. UES and FG&E are subject to regulation by the NHPUC and the MDTE, respectively, with respect to their rates, issuance of securities and other accounting and operational matters. Certain aspects of our electric operations as they relate to wholesale and interstate business activities are also regulated by FERC. In the past several years, we have completed the restructuring of our electric and natural gas operations resulting from the implementation of retail choice as mandated by the States of New Hampshire and Massachusetts.

We have the franchise to deliver electricity and/or natural gas to all customers in our franchise areas, at rates established under traditional cost of service regulation. Under this regulatory structure, through their distribution charges, UES and FG&E recover the cost of providing distribution service to their customers based on a historical test year, in addition to earning a return on their capital investment in utility assets. In 2002, we completed rate proceedings for all of our retail distribution operations and were authorized by the NHPUC and MDTE to implement increased rates for our electric and natural gas distribution operations beginning in December of that year. UES and FG&E also recover the actual cost of any electricity or natural gas they supply to their customers, as well as certain costs associated with restructuring, through periodically adjusted rates.

In connection with the implementation of retail choice for our customers in New Hampshire and Massachusetts, we effectively divested the long-term power supply contracts of Unitil Power and FG&E and the owned generation assets of FG&E. Unitil Power divested its long-term power supply contracts to a subsidiary of Mirant and FG&E divested its owned generation assets and long-term power supply contracts to Select. Unitil Power's and FG&E's long-term power supply contracts were divested through the sale of the entitlements to the electricity associated with those contracts, and Unitil Power and FG&E remain ultimately responsible for payments for that power, and FG&E remains the title holder of record to a .18% ownership interest in the Wyman Unit No. 4 oil-fired generating facility in Maine, which was sold to Select. UES and FG&E would seek to recover from their customers any costs not currently provided for in their rates which they may incur if either Mirant or Select were to fail to fulfill their obligations to purchase the entitlements to electricity provided for in those agreements. See "Risk Factors—Risks Relating to Our Business."

Although UES's and FG&E's electric customers have the option of contracting directly for their electricity needs with third-party suppliers, both companies remain the "provider of last resort" for their respective customers. Accordingly, UES and FG&E contract with wholesale power suppliers for the electricity necessary to meet that "provider of last resort" energy supply obligation. Similarly, FG&E's natural gas customers have the option to contract for their natural gas supply with third-party suppliers and FG&E remains the "provider of last resort" for these natural gas customers. The costs associated with the acquisition of such wholesale electric and natural gas supplies for customers who do not contract with third-party suppliers are recovered on a pass-through basis from those customers with no profit margin to UES or FG&E.

We have secured regulatory approval for the recovery, over the next eight to 10 years, of approximately \$213.7 million of power supply-related stranded costs due to the electric industry restructuring in New Hampshire and Massachusetts. Also, we have implemented comprehensive customer and financial information systems to accommodate the transition to competitive energy markets and retail choice. Our electric customers in Massachusetts have had the ability to choose their electric energy supplier since March 1, 1998 and retail choice became available to our New Hampshire customers on May 1, 2003. In addition, we have adjusted our utility rates to reflect the overall cost of service as a restructured local electric and natural gas energy delivery company.

## Our Strengths

We believe our strengths have enabled us to grow our business profitably and create shareholder value. These strengths include:

*Growing Franchise Areas.* Our operations are located in the southeastern seacoast and state capital regions of New Hampshire, as well as in the greater Fitchburg area of north central Massachusetts. Together, these three franchise areas provide a diverse and growing customer base. Our total electric sales growth has consistently outpaced the average electric sales growth in New England. For example, our total kilowatt hours (kWh) sales growth has averaged 2.8% per year over the past 10 years as compared to 1.4% for New England. Over the past five years, our kilowatt hour sales growth to residential customers has averaged 3.5% as compared to 2.7% for New England.

*Regulated Asset Base.* Our core assets primarily consist of local distribution facilities (e.g., pipes and wires) necessary for the delivery of our customers' electric and natural gas supply needs within our franchise areas and regulatory assets arising from the restructuring of our electric and natural gas operations. Our electric and natural gas distribution assets and regulatory assets, from which we derive substantially all of our operating income, provide stable earnings and cash flow. Over the past five years, we have invested \$67.0 million and \$19.0 million in capital additions and improvements in our electric and natural gas distribution businesses, respectively, and increased our net utility plant by 4.5% on average per year. We intend to continue investing in our local electric and natural gas utility distribution systems to increase our customer base. We also intend to seek opportunities to expand our regulated utility distribution business through the acquisition of other electric and natural gas distribution properties in our region. While we have considered potential acquisition opportunities over the past several years, no such acquisitions have been consummated and we are not currently party to any binding acquisition agreement or commitment.

*Diversified Customer Base.* Our customers are a diversified mix of residential, commercial and industrial customers, with no single customer representing more than 5% of our total revenues. Our sales to large commercial and industrial customers are not concentrated in one industry segment, but vary from government facilities to large retail outlets, colleges, hospitals and a broad range of industrial companies that reflect the diverse nature of the communities that we serve.

*Small Size Advantage.* We believe that due in part to our smaller size relative to other electric and natural gas utilities, we are able to expeditiously and effectively respond to changing legislative and regulatory rules governing our utility business, adopt new business practices and technology solutions to improve productivity, and implement organizational changes to successfully manage our business. We have a proven track record of successfully transitioning our company to meet the business and operational challenges brought about by the restructuring of our industry over the last five years.

*Historic Dividend Stability.* Since our incorporation in 1984, we have continuously paid quarterly dividends and we have never reduced our dividend rate, while still increasing our investment in our utility distribution facilities.

*Experienced Management Team.* Our senior management team is highly experienced in the utility industry. Our Chairman and CEO, Robert Schoenberger, has 25 years of industry experience. Our senior management team as a whole averages approximately 18 years experience in the industry. We recently streamlined and reorganized our management team to improve efficiency and to meet ongoing business requirements.

## **Our Properties**

As of December 31, 2002, we owned, through our utility subsidiaries, two operation centers, approximately 2,073 pole miles of local transmission and distribution overhead electric lines and 360 conduit bank miles of underground electric distribution lines, along with 48 electric substations, including three mobile electric substations. Our natural gas operations property includes a liquid propane gas plant, a liquid natural gas plant and 310 miles of underground gas mains. In addition, our real estate subsidiary, Unital Realty, owns our corporate headquarters building and the 12 acres on which it is located.

UES owns and maintains distribution operations centers in Concord, New Hampshire and Kensington, New Hampshire. UES's 31 electric distribution substations, including a 5,000 kilovolt ampere (kVA) mobile substation, constitute 214,270 kVA of capacity for the transformation of electric energy from the 34.5 kV subtransmission voltage to other primary distribution voltage levels. The electric substations are located on land owned by UES or occupied by UES pursuant to a perpetual easement.

UES has a total of approximately 1,531 pole miles of local transmission and distribution overhead electric lines and a total of 194 conduit bank miles of underground electric distribution lines. The electric distribution lines are located in, on or under public highways or private lands pursuant to lease, easement, permit, municipal consent, tariff conditions, agreement or license, expressed or implied through use by UES without objection by the owners. In the case of certain distribution lines, UES owns only a part interest in the poles upon which its wires are installed, the remaining interest being owned by telephone companies.

Additionally, UES owns 137.7 acres of non-utility property located on the east bank of the Merrimack River in Concord, New Hampshire. Of the total acreage, 81.2 acres are located within an industrial park zone.

The physical utility properties of UES, with certain exceptions, and its franchises are pledged as security under its indenture of mortgage and deed of trust under which the respective series of first mortgage bonds of UES are outstanding.

FG&E's electric properties consist principally of 542 pole miles of local transmission and distribution overhead electric lines, 166 conduit bank miles of underground electric distribution lines and 17 transmission and distribution stations. The capacity of these substations totals 561,900 kVA.

FG&E owns a liquid propane gas plant and a liquid natural gas plant and the land on which they are located. FG&E also has 310 miles of underground steel, cast iron and plastic gas mains.

FG&E's electric substations, with minor exceptions, are located on land owned by FG&E or occupied by FG&E pursuant to a perpetual easement. FG&E's electric distribution lines and gas mains are located in, on or under public highways or private lands pursuant to lease, easement, permit, municipal consent, tariff conditions, agreement or license, expressed or implied through use by FG&E without objection by the owners. FG&E leases its distribution operations center located in Fitchburg, Massachusetts.

We believe that our facilities are currently adequate for their intended uses.

## **Our Employees**

As of September 30, 2003, we had 322 full-time and part-time employees. We consider our relationship with our employees to be good. We have approximately 100 employees represented by labor unions. In 2000, each of our utility subsidiaries reached five-year pacts with employees covered by collective bargaining agreements, which will expire on May 31, 2005.

## MANAGEMENT

The following table provides information about our directors and senior management as of September 30, 2003:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Robert G. Schoenberger	53	Chairman of the Board and Chief Executive Officer
Mark H. Collin	44	Senior Vice President and Chief Financial Officer
Thomas P. Meissner, Jr.	41	Senior Vice President, Operations
George R. Gantz	52	Senior Vice President, Customer Services and Communications
George E. Long, Jr.	46	Vice President, Administration
Raymond J. Morrissey	55	Vice President, Information Systems
Todd R. Black	39	Vice President, Usource
Laurence M. Brock	50	Vice President and Controller
David P. Brownell	59	Director
Michael J. Dalton	62	Director
Albert H. Elfner, III	58	Director
Ross B. George	70	Director
Edward F. Godfrey	54	Director
Michael B. Green	53	Director
Eben S. Moulton	57	Director
M. Brian O'Shaughnessy	60	Director
Charles H. Tenney, III	55	Director
Dr. Sarah P. Voll	60	Director

*Robert G. Schoenberger* has been our Chairman of the Board and Chief Executive Officer since 1997. Prior to his employment with us, he was President and Chief Executive Officer of the New York Power Authority (a state owned public power enterprise) from 1993 until 1997. He is also a Director of the Greater Seacoast (NH) United Way and Director and Vice Chairman of Exeter Health Resources.

*Mark H. Collin* was appointed our Senior Vice President and Chief Financial Officer in February 2003. Mr. Collin served as our Treasurer from 1998 to 2003. Since 1992, he has been Treasurer of UES and FG&E. Mr. Collin joined us in 1988.

*Thomas P. Meissner, Jr.* has been our Senior Vice President, Operations since February 2003. Mr. Meissner joined us in 1994 and served as our Director of Engineering from 1998 to 2003. From 1985 to 1994, he was employed by the Public Service Company of New Hampshire.

*George R. Gantz* has been our Senior Vice President, Customer Services and Communications since January 2003. Mr. Gantz previously served as our Senior Vice President, Communication and Regulation from 1994 to 2003. Mr. Gantz joined us in 1983.

*George E. Long, Jr.* has been our Vice President, Administration since February 2003. Mr. Long joined us in 1994 and was our Director, Human Resources from 1998 to 2003. Prior to his employment with us, Mr. Long was the Director of Compensation and Benefits at Monarch Life Insurance Company from 1985 to 1994.

## [Table of Contents](#)

*Raymond J. Morrissey* has been our Vice President, Information Systems since February 2003. From 1992 to 2003, he served as our Vice President of Customer Service, and from 1991 to 1992, he was the General Manager of our subsidiary, FG&E. Mr. Morrissey joined us in 1985.

*Todd R. Black* has been our Vice President, Usource since January 2003. He served as Vice President, Sales and Marketing for Usource from 1998 to 2003. Prior to his employment with us, he served as Vice President, Services Delivery for Energy USA, the unregulated subsidiary of Bay State Gas Company, from 1988 until 1998.

*Laurence M. Brock*, our Vice President and Controller, joined us in 1995 and is a Certified Public Accountant in the State of New Hampshire. Prior to his employment with us, Mr. Brock served as a Corporate Controller with a group of diversified financial services and manufacturing companies. Mr. Brock gained his public accounting experience with Coopers & Lybrand in Boston, Massachusetts.

*David P. Brownell* was a Senior Vice President of Tyco International Ltd. from 1995 to 2003. He had been with Tyco since 1984. Mr. Brownell is also Vice Chairman of the University of New Hampshire Foundation.

*Michael J. Dalton* was our President and Chief Operating Officer from 1984 to 2003. Mr. Dalton is a member of the Advisory Board of the University of New Hampshire College of Engineering and Physical Sciences.

*Albert H. Elfner, III* was the Chairman, from 1994, and Chief Executive Officer, from 1995, of Evergreen Investment Management Company until his retirement in 1999. Mr. Elfner is also a Director of NGM Insurance Company and Optimum Q Funds.

*Ross B. George* is the Chairman of the Board of Five G Management, LLC. He is also a Director of Simonds Industries, Inc. and served as their Chairman of the Board from 1999-2001 and their Chief Executive Officer from 1995 to 1999.

*Edward F. Godfrey* was the Executive Vice President and Chief Operating Officer of Keystone Investments, Incorporated from 1997 until his retirement in 1998. While at Keystone Investments, he was also a Senior Vice President, Chief Financial Officer and Treasurer from 1988 to 1996. Mr. Godfrey is also a Director of Reilly Mortgage Group.

*Michael B. Green* has been the President and Chief Executive Officer of Capital Region Health Care and Concord Hospital since 1992. He serves as an adjunct faculty member of Dartmouth Medical School. He also serves as Chairman of the Board of the Foundation for Healthy Communities and as a Director on the Boards of Community Provider Network of Central New Hampshire, Concord 20/20 and Merrimack County Savings Bank.

*Eben S. Moulton* has been the Managing Partner of Seacoast Capital Corporation since 1995. Mr. Moulton is also a Director of IEC Electronics, a Director of PartMiner, Inc., a Director of Home Market Foods and a Trustee of Colorado College.

*M. Brian O'Shaughnessy* has been the Chairman of the Board, Chief Executive Officer and President of Revere Copper Products, Inc. since 1988. Mr. O'Shaughnessy also serves on the Board of Directors of the International Copper Association, the Copper Development Association and the Copper and Brass Fabricators Council. He also serves in New York State as Chairman of the Industrial Energy Consumer Coalition, and as a member of the Board of Directors of the Multiple Intervenors and the Economic Development Growth Enterprise.

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[Table of Contents](#)

*Charles H. Tenney, III* has been a member of the Management Team of Brainshift.com, Inc. since 2002. He served as a financial advisor for H&R Block Financial Advisors from 2001 to 2002 and as the Director of Corporate Services for Log On America, Inc. from 1999 to 2000. From 1997 to 1999, he served as the Secretary of both Northern Utilities, Inc. and Granite State Gas Transmission, Inc. From 1991 to 1999, he served as the Clerk of Bay State Gas Company, a subsidiary of NiSource, Inc.

*Dr. Sarah P. Voll* has been the Vice President, National Economic Research Associates, Inc. (NERA) since 1999. Dr. Voll was also a Senior Consultant at NERA from 1996 to 1999.



## DESCRIPTION OF COMMON STOCK

The following description of our common stock summarizes general terms that apply to our common stock. Because this is only a description, it does not contain all of the information that may be important to you. This summary is subject to and qualified in its entirety by reference to Unitil's articles of incorporation, articles of amendment to the articles of incorporation and by-laws, which are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. See "Where You Can Find More Information." This section also summarizes relevant provisions of statutes with which we must comply. The terms of these statutes are more detailed than the general information provided below; therefore, you should carefully consider the actual provisions of each of the statutes referenced below.

### Authorized and Outstanding Shares

Our authorized capital stock consists of 8,000,000 shares of common stock, no par value. As of September 30, 2003, 4,773,465 shares of common stock were outstanding and our subsidiaries UES and FG&E have preferred stock outstanding representing less than 1%, respectively, of the total equity of such subsidiaries. Unitil Corporation is not authorized to issue any shares of preferred stock. All of the common stock outstanding is fully paid and nonassessable.

### Dividend Rights

Holders of our common stock are entitled to those dividends as may be declared from time to time by our Board of Directors. We may pay dividends on our common stock from any funds, property or shares legally available for this purpose. See "Price Range of Common Stock and Dividends."

### Voting Rights and Cumulative Voting

Each holder of our common stock is entitled to one vote per share on all matters submitted to a vote of the holders of our common stock. Holders of common stock do not have cumulative voting rights for the election of directors.

### Preemptive Rights

The holders of our common stock have no preemptive rights to purchase additional shares of common stock or any other of our securities.

### Liquidation Rights

In the event that we are liquidated, after payment of our debts and liabilities, the holders of our common stock are entitled to share equally in the balance of our remaining assets, if any.

### Transfer Agent and Registrar

Equiserve Trust Company, N.A. serves as the transfer agent and registrar of our common stock.

### Statutory Provisions

Because we are a public utility holding company registered under PUHCA, the SEC must approve the acquisition of any of our securities or utility assets by another registered public utility holding company or any person who would, as a result of an acquisition, become an affiliate of two or more public utility

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## [Table of Contents](#)

holding companies. Similarly, Section 374:33 of the New Hampshire Revised Statutes provides that no public utility or public utility holding company may directly or indirectly acquire more than 10 percent of the stocks or bonds of another public utility holding company incorporated or doing business in the State of New Hampshire, without the approval of the Public Utilities Commission of New Hampshire.

### **Staggered Board of Directors**

Our by-laws provide for a board of directors of between nine and 15 directors divided into three classes, each class being as nearly equal in number as possible, and each with their respective terms of office arranged so that the term of office of one class expires in each year, at which time a corresponding number of directors is elected for a term of three years. We currently have 11 directors.

Our staggered board of directors and the statutory provisions described above may delay, deter or prevent a tender offer or takeover attempt that a holder of shares of our common stock might consider is in his or her best interest, including those attempts that might result in a premium over the market price of the shares of our common stock.

## UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated \_\_\_\_\_, 2003, we have agreed to sell to the underwriters named below, for whom RBC Dain Rauscher Inc. and Edward D. Jones & Co., L.P., are acting as representatives, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
RBC Dain Rauscher Inc.	
Edward D. Jones & Co., L.P.	
Total	520,000

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 78,000 additional shares at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of \$ \_\_\_\_\_ per share. The underwriters and selling group members may allow a discount of \$ \_\_\_\_\_ per share on sales to other broker/dealers. After the initial public offering, RBC Dain Rauscher Inc. may change the public offering price and concession and discount to broker/dealers.

The following table summarizes the compensation and estimated expenses we will pay:

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting discounts and commissions paid by us	\$	\$	\$	\$
Expenses payable by us				

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act of 1933 (the "Securities Act") relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of RBC Dain Rauscher Inc. for a period of 60 days after the date of this prospectus, except (i) issuances pursuant to the exercise of options

## Table of Contents

outstanding on the date hereof, (ii) grants of employee stock options and restricted stock pursuant to the terms of a plan in effect on the date hereof, (iii) issuances pursuant to the exercise of such options, (iv) issuances to our employees under the terms of the employee stock purchase plan in effect on the date hereof, (v) issuances pursuant to the terms of the director compensation plan in effect on the date hereof and (vi) the filing of registration statements on Form S-8 and amendments thereto in connection with those stock options or our employee stock purchase plans in existence on the date hereof.

Our executive officers and directors have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of RBC Dain Rauscher Inc. for a period of 60 days after the date of this prospectus, except for any transfer that is a bona fide gift or to a family member or trust, provided the transferee agrees to be bound in writing by the terms of the agreement.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

The shares of common stock are listed on the American Stock Exchange under the symbol "UTL."

In connection with the offering the underwriters may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by exercising their over-allotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

## Table of Contents

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the American Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

## **LEGAL MATTERS**

The validity of the shares of the common stock to be sold in the offering will be passed upon for us by LeBoeuf, Lamb, Greene & MacRae, L.L.P., Boston, Massachusetts, a limited liability partnership including professional corporations. Certain legal matters in connection with the offering will be passed upon for the underwriters by Vinson & Elkins L.L.P., New York, New York. As of the date of this prospectus, Paul K. Connolly, Jr., a partner of LeBoeuf, Lamb, Greene & MacRae, L.L.P., owns approximately 3,172 shares of Unitil common stock. Mr. Connolly is a participant in our dividend reinvestment plan and, as such, acquires additional shares of our common stock at regular intervals.

## **EXPERTS**

The financial statements incorporated in this prospectus by reference to our Annual Report on Form 10-K for the year ended December 31, 2002, have been so incorporated in reliance on the report of Grant Thornton LLP, independent certified public accountants, given on the authority of said firm as experts in auditing and accounting.

## **WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings are available to the public over the internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain further information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Our common stock is listed on the American Stock Exchange under the ticker symbol "UTL."

This prospectus is part of a registration statement that we filed with the SEC on Form S-3. This prospectus does not contain all of the information set forth in the registration statement and its exhibits, portions of which have been omitted as permitted by the rules and regulations of the SEC. You may refer to

## Table of Contents

the registration statement and the exhibits for more information about the securities and us. You may inspect the registration statement and exhibits without charge at the SEC's public reference room or at the SEC's website.

The SEC allows us to "incorporate by reference" into this prospectus the information we file with it, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede information in this prospectus. We incorporate by reference the documents listed below into this prospectus, and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until this offering is complete. The documents we incorporate by reference are:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2002;
- Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003 and June 30, 2003;
- Our Current Reports on Form 8-K filed with the SEC on January 17, 2003, February 12, 2003, April 17, 2003 and April 29, 2003; and
- The description of our common stock, no par value, contained in the registration statement on Form 8-A filed with the SEC on February 8, 1985.

You may request a copy of any of these documents at no cost (other than an exhibit to the filing unless we have specifically incorporated that exhibit by reference into the filing), by writing or telephoning us at the following address:

Shareholder Relations  
Unitil Corporation  
6 Liberty Lane West  
Hampton, NH 03842-1720  
Telephone (800) 999-6501  
<http://www.unitil.com>

**520,000 Shares**



**Common Stock**

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PRICE \$      PER SHARE

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**RBC CAPITAL MARKETS**

**EDWARD D. JONES & CO., L.P.**

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PROSPECTUS

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, 2003

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**PART II.**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth the expenses in connection with the sale and distribution of the common stock offered by this prospectus, other than underwriting discounts and commissions (all of which are to be paid by the Registrant). All amounts shown are estimates except for the SEC registration fee.

SEC Registration Fee	\$ 1,251
Legal Fees and Expenses	160,000
Accounting Fees and Expenses	29,000
Transfer Agent and Registrar Fees and Expenses	2,500
Printing, Engraving and Mailing Expenses	20,000
Stock Exchange Listing Fee	11,960
Miscellaneous	10,000
	<hr/>
Total	\$ 234,711

**Item 15. Indemnification of Directors and Officers.**

The Registrant is organized under the laws of the State of New Hampshire. The New Hampshire Business Corporation Act (the "NHBCA") provides that a corporation may indemnify an individual made a party to a proceeding because he is or was a director against liability incurred in the proceeding if: (1) he conducted himself in good faith; and (2) he reasonably believed (i) in the case of conduct in his official capacity with the corporation, that his conduct was in its best interests; and (ii) in all other cases, that his conduct was at least not opposed to its best interests; and (3) in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. A corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of the final disposition of the proceeding if: (1) the director furnishes the corporation a written affirmation of his good faith belief that he has met the standard of conduct described in the preceding sentence; and (2) the director furnishes the corporation an undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct; and (3) a determination is made that the facts then known to those making the determination would not preclude indemnification. Unless a corporation's articles of incorporation provide otherwise, the corporation may indemnify and advance expenses to an officer, employee or agent of the corporation who is not a director to the same extent as to a director. A corporation may not indemnify a director (x) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or (y) in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him. Unless limited by its articles of incorporation, a corporation shall indemnify a director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he is or was a director or officer of the corporation against reasonable expenses incurred by him in connection with the proceeding. A corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against



## Table of Contents

or incurred by him in that capacity or arising from his status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify him against the same liability under the NHBCA.

Article X of the Registrant's By-Laws provides that the Registrant shall indemnify any person who was or is a party or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the person's having served as, or by reason of the person's alleged acts or omissions while serving as a director, officer, employee or agent of the Registrant, or while serving at the request of the Registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement or otherwise actually and reasonably incurred by such person in connection with the action, suit or proceeding, if the person acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Registrant, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful, said indemnification to be to the full extent permitted by law under the circumstances, including, without limitation, by all applicable provisions of the NHBCA. Any indemnification under Article X shall be made by the Registrant with respect to Directors or other persons after a determination that the person to be indemnified has met the standards of conduct set forth in the NHBCA, such determination to be made by the Board of Directors, by majority vote of a quorum, or by other persons authorized to make such a determination under the NHBCA.

The right of indemnification arising under Article X was adopted for the purpose of inducing persons to serve and to continue to serve the Registrant without concern that their service may expose them to personal financial harm. It is to be broadly construed, applied and implemented in light of that purpose. It is not to be exclusive of any other right to which any such person is entitled under any agreement, vote of the stockholders or the Board of Directors, statute, or as a matter of law, or otherwise, nor is it to be construed to limit or confine in any respect the power of the Board of Directors to grant indemnity pursuant to any applicable statutes or laws of the State of New Hampshire. The provisions of Article X are separable, and, if any provision or portion thereof is for any reason held inapplicable, illegal or ineffective, such holding will not affect any other right of indemnification existing under Article X or otherwise. As used in Article X, the term "person" includes heirs, executors, administrators or other legal representatives. As used in Article X, the terms "Director" and "officer" include persons elected or appointed as officers by the Board of Directors, persons elected as Directors by the stockholders or by the Board of Directors, and persons who serve by vote or at the request of the Registrant as directors, officers or trustees of another organization in which the Registrant has any direct or indirect interest as a shareholder, creditor or otherwise.

Article X of the Registrant's By-laws also allows the Registrant to purchase and maintain insurance on behalf of any person who was or is a Director, officer or employee of the Registrant or any of its subsidiaries, or who was or is serving at the request of the Registrant as a fiduciary of any employee benefit plan of the Registrant or any subsidiary, against any liability asserted against, and incurred by, such person in any such capacity, or arising out of such person's status as such, whether or not the Registrant would have the power to indemnify such person against such liability under the provisions of the NHBCA. The obligation to indemnify and reimburse such person under the Registrant's By-Laws, if applicable, will be reduced by the amount of any such insurance proceeds paid to such person, or the representatives or successors of such person.

## [Table of Contents](#)

### Item 16. Exhibits.

<b>Exhibit No:</b>	<b>Description of Exhibit</b>	<b>Reference</b>
1.1	Underwriting Agreement	Filed herewith.
4.1	Articles of Incorporation of Unitil Corporation	Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-14, No. 2-93769.
4.2	Articles of Amendment to the Articles of Incorporation of Unitil Corporation	Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991.
4.3	By-Laws of the Company	Incorporated by reference to Exhibit 4 to the Registrant's Registration Statement on Form S-8, No. 333-73327.
4.4	Specimen Common Stock Certificate	Filed herewith.
5.1	Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P.	Filed herewith.
23.1	Consent of LeBoeuf, Lamb, Greene & MacRae, L.L.P.	Included in exhibit 5.1.
23.2	Consent of Grant Thornton LLP	Previously filed.
24.1	Powers of Attorney	Previously filed.

### Item 17. Undertakings.

The undersigned Registrant hereby undertakes as follows:

(1) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(2) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(3) The undersigned Registrant hereby undertakes that:

(i) For the purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.



[Table of Contents](#)

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> *	Director	October 7, 2003
Charles H. Tenney, III		
<hr/> *	Director	October 7, 2003
Dr. Sarah P. Voll		
/s/ MARK H. COLLIN	Senior Vice President and Chief Financial Officer	October 7, 2003
<hr/> Mark H. Collin		
/s/ LAURENCE M. BROCK	Vice President and Controller	October 7, 2003
<hr/> Laurence M. Brock		
*By: /s/ MARK H. COLLIN		
<hr/> Mark H. Collin, Attorney-in-Fact		

**EXHIBIT INDEX**

<b>Exhibit No:</b>	<b>Description of Exhibit</b>
1.1	Underwriting Agreement (filed herewith).
4.1	Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-14, No. 2-93769).
4.2	Articles of Amendment to the Articles of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991).
4.3	By-Laws of the Company (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8, No. 333-73327).
4.4	Specimen Common Stock Certificate (filed herewith).
5.1	Opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P. (filed herewith).
23.1	Consent of LeBoeuf, Lamb, Greene & MacRae, L.L.P. (included in Exhibit 5.1).
23.2	Consent of Grant Thornton LLP (previously filed).
24.1	Powers of Attorney (previously filed).

**520,000 Shares<sup>1</sup>**  
**Unitil Corporation**  
**Common Stock**  
**(No Par Value)**

## EQUITY UNDERWRITING AGREEMENT

\_\_\_\_\_, 2003

RBC Dain Rauscher Inc.  
Edward D. Jones & Co., L.P.  
As the Representatives of the  
several underwriters named in Schedule I hereto  
c/o RBC Capital Markets  
60 South Sixth Street  
Minneapolis, MN 55402

Ladies and Gentlemen:

Unitil Corporation, a New Hampshire corporation (the "Company"), proposes to sell to the several underwriters named in Schedule I hereto (the "Underwriters") for whom you are acting as representatives (the "Representatives") an aggregate of 520,000 shares of the Company's common stock (the "Common Stock"), no par value (the "Firm Shares"). The respective amounts of the Firm Shares to be so purchased by the several Underwriters are set forth opposite their names in Schedule I hereto. The Company also proposes to sell, at the Underwriters' option, an aggregate of up to 78,000 additional shares of the Company's Common Stock (the "Option Shares") as set forth below.

As the Representatives, you have advised the Company (a) that you are authorized to enter into this Agreement on behalf of the several Underwriters, and (b) that the several Underwriters are willing, acting severally and not jointly, to purchase the numbers of Firm Shares set forth opposite their respective names in Schedule I, plus their *pro rata* portion of the Option Shares if you elect to exercise the over-allotment option in whole or in part for the accounts of the several Underwriters. The Firm Shares and the Option Shares (to the extent the aforementioned option is exercised) are herein collectively called the "Shares."

In consideration of the mutual agreements contained herein and of the interests of the parties in the transactions contemplated hereby, the parties hereto agree as follows:

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<sup>1</sup> Plus an option to purchase up to 78,000 additional shares to cover over-allotments.

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each of the Underwriters as follows:

(a) A registration statement on Form S-3 (File No. 333-108349) and Pre-Effective Amendment No. 1 thereto, including a related prospectus, with respect to the Shares has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "Act"), and the Rules and Regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder and has been filed with the Commission. The Company meets the requirements for the use of Form S-3. Copies of such registration statement, including all amendments thereto and all documents deemed incorporated by reference therein, the preliminary prospectuses contained therein and the exhibits, financial statements and schedules, as finally amended and revised, have heretofore been delivered by the Company to you. Such registration statement, as amended to the date of this Agreement pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), together with any registration statement filed by the Company pursuant to Rule 462(b) of the Act, including all exhibits thereto and documents incorporated by reference therein, herein referred to as the "Registration Statement," which shall be deemed to include all information omitted therefrom in reliance upon Rule 430A and contained in the Prospectus referred to below, has become effective under the Act as of [redacted], 2003 (the "Effective Date"), and no post-effective amendment to the Registration Statement has been filed as of the date of this Agreement. "Prospectus" means the form of prospectus first filed with the Commission pursuant to Rule 424(b) under the Act. Each preliminary prospectus included in the Registration Statement prior to the time it becomes effective or filed with the Commission pursuant to Rule 424(a) under the Act is herein referred to as a "Preliminary Prospectus." Unless otherwise stated herein, any reference hereinto the Registration Statement, the Prospectus and the Preliminary Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, which were filed under the Exchange Act on or before the date hereto or are so filed hereafter. For purposes of this Agreement, all references to the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment thereto or supplement to the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

(b) The Commission has not issued an order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or preventing or suspending the use of any Preliminary Prospectus nor instituted, nor to the Company's knowledge, threatened, proceedings for that purpose. Any required filing of the Prospectus pursuant to 424(b) of the Securities Act has been or will be made in the manner and within the time period required by such Rule 424(b).

(c) The Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the Rules and Regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however,*



that this representation and warranty shall not apply to and the Company makes no representations or warranties with respect to information contained in or omitted from the Preliminary Prospectus, in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of any Underwriter through the Representatives, specifically for use in the preparation thereof, it being understood and agreed that the only such information is that described as such in Section 13 hereof.

(d) At the time the Registration Statement became effective, the Registration Statement complied, and as of the Closing Date and each Option Closing Date, the Registration Statement and any amendment thereto, will comply, in all material respects with the requirements of the Act and the Rules and Regulations. The Registration Statement and any amendment thereto, at the time it became effective, did not, as of the date hereof, does not, and at the Closing Date and each Option Closing Date, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus and any amendments and supplements thereto, as of its date and as of the Closing Date and each Option Closing Date, do not contain, and will not contain, any untrue statement of material fact; and do not omit, and will not omit, to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing provisions do not apply to and the Company makes no representations or warranties with respect to information contained in or omitted from the Registration Statement or the Prospectus, or any such amendment or supplement, in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of any Underwriter through the Representatives, specifically for use in the preparation thereof, it being understood and agreed that the only such information is that described as such in Section 13 hereof. There are no contracts or documents that are required to be filed as exhibits to the Registration Statement or described in the Registration Statement or the Prospectus which are not so filed or described as required.

(e) The documents filed or to be filed pursuant to the Exchange Act and incorporated by reference in the Registration Statement and the Prospectus, at the time they were filed with the Commission complied, or will comply when so filed, in all material respects with the requirements of the Exchange Act or the published rules and regulations under the Exchange Act (the "Exchange Act Rules"), as applicable.

(f) This Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid, legal and binding obligation of the Company, enforceable in accordance with its terms, except as rights to indemnity hereunder may be limited by federal or state securities laws and except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally, and subject to general principles of equity. The Company has full power and authority to enter into this Agreement and to authorize, issue and sell the Shares as contemplated by this Agreement.

(g) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of New Hampshire, with corporate power and authority to own or lease its properties and conduct its business as described in the Registration

Statement. Each of the subsidiaries of the Company, as listed in Exhibit A hereto (collectively, the “Subsidiaries”), has been duly organized and is validly existing as a corporation or limited liability company, as applicable, in good standing under the laws of the jurisdiction of its incorporation or formation, as applicable, with corporate and limited liability company, as applicable, power and authority to own or lease its properties and conduct its business as described in the Registration Statement. The Subsidiaries are the only subsidiaries, direct or indirect, of the Company. The Company and each of the Subsidiaries are duly qualified to transact business and are in good standing in all jurisdictions in which the conduct of their business requires such qualification, except where the failure to be so qualified or to be in good standing would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), properties, assets, liabilities, rights, operations, earnings, business, management or prospects of the Company and its Subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business (a “Material Adverse Effect”). The outstanding shares of capital stock of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and, to the extent shown in Exhibit A hereto, are wholly owned by the Company or another Subsidiary free and clear of all liens, encumbrances and equities and claims; and no options, warrants or other rights to purchase, agreements or other obligations to issue or other rights to convert any obligations into shares of capital stock or ownership interests in the Subsidiaries are outstanding.

(h) The outstanding shares of Common Stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; the Shares to be issued and sold by the Company have been duly authorized and, when delivered and paid for as contemplated herein, will be validly issued, fully paid and non-assessable; and no preemptive rights exist with respect to any of the Shares or the issue and sale thereof.

(i) The information set forth under the caption “Capitalization” in the Prospectus is true and correct. All of the Shares conform to the description thereof contained in the Registration Statement. The form of certificates for the Shares conforms to the corporate law of the State of New Hampshire. Immediately after the issuance and sale of the Shares to the Underwriters, no shares of preferred stock of the Company shall be issued and outstanding and no holder of any shares of capital stock, securities convertible into or exchangeable or exercisable for capital stock or options, warrants or other rights to purchase capital stock or any other securities of the Company shall have any existing or future right to acquire any shares of preferred stock of the Company.

(j) Except as described in or contemplated by the Prospectus, there are no outstanding securities of the Company convertible or exchangeable into or evidencing the right to purchase or subscribe for any shares of capital stock of the Company and there are no outstanding or authorized options, warrants or rights of any character obligating the Company to issue any shares of its capital stock or any securities convertible or exchangeable into or evidencing the right to purchase or subscribe for any shares of such stock; and except as described in the Prospectus, to the knowledge of the Company, no holder of any securities of the Company or any other person has the right, contractual or otherwise, which has not been satisfied or effectively waived, to cause the Company to sell or otherwise issue to them, or to permit them to underwrite the sale of, any of the

Shares or the right to have any shares of Common Stock or other securities of the Company included in the Registration Statement or the right, as a result of the filing of the Registration Statement, to require registration under the Act of any shares of Common Stock or other securities of the Company.

(k) The Company has not distributed and, prior to the later of (i) the time of closing on the Closing Date or (ii) the completion of the distribution of Shares, will not distribute any prospectus or other offering material (including, without limitation, content on the Company's website that may be deemed to be a prospectus or other offering material) in connection with the offering and sale of the Shares other than any Preliminary Prospectus or the Prospectus or other materials permitted by the Act to be distributed by the Company.

(l) The consolidated financial statements of the Company and the Subsidiaries, together with related notes and schedules as set forth or incorporated by reference in the Registration Statement, present fairly the financial position and the results of operations and cash flows of the Company and the consolidated Subsidiaries, at the indicated dates and for the indicated periods. Such financial statements and related schedules have been prepared in accordance with U.S. generally accepted accounting principles, consistently applied throughout the periods involved, except as disclosed therein, and all adjustments necessary for a fair presentation of results for such periods have been made. The summary financial and statistical data included or incorporated by reference in the Registration Statement presents fairly the information shown therein and such data has been compiled on a basis consistent with the financial statements presented therein and the books and records of the Company.

(m) The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(n) Grant Thornton LLP, which has certified certain financial statements of the Company and delivered its opinion with respect to the audited financial statements and schedules included in the Registration Statement and the Prospectus, are independent public accountants with respect to the Company within the meaning of the Act and the Rules and Regulations.

(o) There is no action, suit, claim or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of the Subsidiaries before any court or governmental or administrative agency, authority or body or otherwise which if determined adversely to the Company or any of its Subsidiaries might have a Material Adverse Effect or prevent the consummation of the transactions contemplated hereby, except as set forth in the Registration Statement and the Prospectus.

(p) No labor problem or dispute with the employees of the Company or the Subsidiaries exists or, to the Company's knowledge, is threatened or imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or its Subsidiaries' principal suppliers, contractors or customers, that could have a Material Adverse Effect.

(q) The Company and the Subsidiaries have good and marketable title to all of the properties and assets reflected in the financial statements (or as described in the Registration Statement) hereinabove described, subject to no lien, mortgage, pledge, charge or encumbrance of any kind except those reflected in such financial statements, those described in the Registration Statement or those which are not material in amount. The Company and the Subsidiaries occupy their leased properties under valid and binding leases.

(r) Except for any failure that would not, individually or in the aggregate, have a Material Adverse Effect, the Company and the Subsidiaries have filed all Federal, state, local and foreign tax returns which have been required to be filed and have paid all taxes indicated by said returns and all assessments received by them or any of them to the extent that such taxes have become due and are not being contested in good faith and for which an adequate reserve for accrual has been established in accordance with U.S. generally accepted accounting principles. All tax liabilities have been adequately provided for in the financial statements of the Company, and the Company does not know of any actual or proposed additional material tax assessments. There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance by the Company or sale by the Company of the Shares.

(s) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, as it may be amended or supplemented, there has not been any material adverse change or any development involving a prospective change which has had or is reasonably likely to have a Material Adverse Effect, whether or not occurring in the ordinary course of business, and there has not been any material transaction entered into or any material transaction that is probable of being entered into by the Company or the Subsidiaries, other than transactions in the ordinary course of business and changes and transactions described in the Registration Statement and the Prospectus, as it may be amended or supplemented. The Company and the Subsidiaries have no material contingent obligations that are not disclosed in the Company's financial statements in the Registration Statement and the Prospectus.

(t) Neither the Company nor any of the Subsidiaries is or with the giving of notice or lapse of time or both, will be, in violation of or in default under its articles of incorporation ("Charter"), by-laws ("By-Laws") or other formation documents or under any agreement, lease, contract, indenture or other instrument or obligation to which it is a party or by which it, or any of its properties, is bound and which default has had or is reasonably likely to have a Material Adverse Effect. The issuance, sale and delivery of the Shares and the execution, delivery or performance of this Agreement do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (i) the Charter or By-Laws of the Company or

any Subsidiary, (ii) any statute, rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any Subsidiary or any of their properties, or (iii) any contract, indenture, mortgage, deed of trust or other agreement or instrument to which the Company or any of the Subsidiaries is a party, except for, with respect to clauses (ii) and (iii), any such violation, breach or default that, individually or in the aggregate, would not have a Material Adverse Effect.

(u) Any and all approvals of the Commission under the Public Utility Holding Company Act of 1935, as amended (“PUHCA”), the New Hampshire Public Utilities Commission (the “NHPUC”) and the Massachusetts Department of Telecommunications and Energy (the “MDTE”) that are required for the issuance, sale and delivery of the Shares and the application of the net proceeds from the sale of the Shares as described under the heading “Use of Proceeds” in the Prospectus have been obtained and are in full force and effect and have not been modified or repealed in any respect; any conditions in such approvals required to be satisfied prior to the issuance of the Shares have been duly satisfied; such approvals are in full force and effect; and no further approval, consent, order, authorization, designation, declaration or filing by or with any other state or federal regulatory, administrative or other governmental body (including the Federal Energy Regulatory Commission) is necessary in connection with the issuance, sale and delivery of the Shares or the execution, delivery and performance of this Agreement and the transactions herein contemplated (other than as may be required by the Commission, the National Association of Securities Dealers, Inc. (the “NASD”) or as may be necessary to qualify the Shares for public offering by the Underwriters under state securities or Blue Sky laws).

(v) Except as described in the Registration Statement or the Prospectus, the Company and each of the Subsidiaries has all licenses, certifications, permits, franchises, approvals, clearances and other regulatory authorizations (“Permits”) from governmental authorities as are necessary to conduct its businesses as currently conducted and to own, lease and operate its properties in the manner described in the Prospectus (except to the extent that the failure to have the same would not have, individually or in the aggregate, a Material Adverse Effect). There is no claim, proceeding or controversy, pending or, to the knowledge of the Company or any of the Subsidiaries, threatened, involving the status of or sanctions under any of the Permits. The Company and each of the Subsidiaries has fulfilled and performed all of its material obligations with respect to the Permits, and no event has occurred which allows, or after notice or lapse of time would allow, the revocation, termination, modification or other impairment of the rights of the Company or any of the Subsidiaries under such Permit, other than such a revocation, termination, modification or other impairment which would not, individually or in the aggregate, have a Material Adverse Effect. None of the Permits contains any restriction that is materially burdensome on the Company or any of its Subsidiaries.

(w) To the Company’s knowledge, there are no affiliations or associations between any member of the NASD and any of the Company’s officers, directors or 5% or greater security holders, except as set forth in the Registration Statement.

(x) Neither the Company, nor to the Company's knowledge, any of its affiliates, has taken or may take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the shares of Common Stock to facilitate the sale or resale of the Shares. The Company acknowledges that the Underwriters may engage in passive market making transactions in the Shares on the American Stock Exchange in accordance with Regulation M under the Exchange Act.

(y) Neither the Company nor any of the Subsidiaries is an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

(z) The Company and each of the Subsidiaries carry, or are covered by, insurance in such amounts and covering such risks as is adequate for the conduct of their respective businesses and the value of their respective properties and as is customary for companies engaged in similar industries. All policies of insurance insuring the Company or any Subsidiary or any of their respective businesses, assets, employees, officers and directors are in full force and effect, and the Company and the Subsidiaries are in compliance with the terms of such policies in all material respects. There are no material claims by the Company or any Subsidiary under any such policy or instrument as to which an insurance company is denying liability or defending under a reservation of rights clause.

(aa) Except as disclosed in the Prospectus, the Company is in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company would have any liability; the Company has not incurred and does not expect to incur any material liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "Code"); and each "pension plan" for which the Company would have any material liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(bb) Other than as contemplated by this Agreement, the Company has not incurred any liability for any finder's or broker's fee, or agent's commission in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(cc) Other than the Subsidiaries, the Company does not own, directly or indirectly, any shares of capital stock and does not have any other equity or ownership or proprietary interest in any corporation, partnership, association, trust, limited liability company, joint venture or other entity.

(dd) Except as disclosed in the Registration Statement or the Prospectus, neither the Company nor any of the Subsidiaries has sent or received any notice indicating the termination of or intention to terminate any of the contracts or agreements referred to or described in the Registration Statement or the Prospectus, or filed as an exhibit to the Registration Statement, and no such termination has been threatened by the Company, any Subsidiary or any other party to any such contract or agreement.

(ee) Except as disclosed in the Registration Statement or the Prospectus, neither the Company nor any Subsidiary is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to (i) the use, disposal or release of hazardous chemicals, pollutants, contaminants, wastes, toxic substances, petroleum or petroleum products, or radioactive and biological materials (collectively, "Hazardous Materials"), (ii) the protection or restoration of the environment or human exposure to Hazardous Materials or (iii) to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"). Except as disclosed in the Registration Statement or the Prospectus, neither the Company nor the Subsidiaries own or operate any real property contaminated with any substance that is subject to any Environmental Laws, is liable for any off-site disposal or contamination pursuant to any Environmental Laws, or is subject to any claim relating to any Environmental Laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(ff) No payments or inducements have been made or given, directly or indirectly, to any federal or local official or candidate for, any federal or state office in the United States or foreign offices by the Company or any Subsidiary, by any of their officers, directors, employees or agents or, to the knowledge of the Company, by any other person in connection with any opportunity, contract, permit, certificate, consent, order, approval, waiver or other authorization relating to the business of the Company or any Subsidiary, except for such payments or inducements as were lawful under applicable laws, rules and regulations. Neither the Company nor any Subsidiary, nor, to the best knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any Subsidiary, (i) has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment in connection with the business of the Company or any Subsidiary.

(gg) Each of the Company and the Subsidiaries owns, licenses or otherwise has rights in all patents, patent rights, licenses, inventions, copyrights, know-how (including seismic data, trade secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names (collectively and together with any applications or registrations for the foregoing, the "Intellectual Property") as necessary for the conduct of its business as currently carried on and as proposed to be carried on as described in the Registration Statement and the Prospectus, and neither the Company nor any of

the Subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any Intellectual Property, which infringement or conflict (if the subject of any unfavorable decision, ruling or finding), individually or in the aggregate, would result in a Material Adverse Effect.

(hh) The conduct of business by the Company and each of the Subsidiaries complies, and at all times has complied, in all material respects with federal, state, local and foreign laws, statutes, ordinances, rules, regulations, decrees, orders, Permits and other similar items (“Laws”) applicable to its business, including, without limitation, (a) the Occupational Safety and Health Act, the Environmental Protection Act, the Toxic Substance Control Act and similar federal, state, local and foreign Laws applicable to hazardous or regulated substances and radioactive or biologic materials and (b) licensing and certification Laws covering any aspect of the business of the Company or any of the Subsidiaries. Neither the Company nor any of the Subsidiaries has received any notification asserting, or has knowledge of, any present or past failure to comply with or violation of any such Laws.

(ii) The information contained in the Registration Statement and the Prospectus regarding the Company’s expectations, plans and intentions, and any other information that constitutes “forward-looking” information within the meaning of the Act and the Exchange Act were made by the Company on a reasonable basis and reflect the Company’s good faith belief and/or estimate of the matters described therein.

(jj) Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Shares contemplated hereby shall be deemed a representation and warranty by the Company to each Underwriter and shall be deemed to be a part of this Section 1 and incorporated herein by this reference.

## 2. PURCHASE, SALE AND DELIVERY OF THE FIRM SHARES

(a) On the basis of the representations, warranties and covenants herein contained, and subject to the conditions herein set forth, the Company agrees to sell to the Underwriters and each Underwriter agrees, severally and not jointly, to purchase, at a price of \$ \_\_\_\_\_ per share, the number of Firm Shares set forth opposite the name of each Underwriter in Schedule I hereof, subject to adjustments in accordance with Section 9 hereof.

(b) Payment for the Firm Shares to be sold hereunder is to be made by wire transfer of Federal (same day) funds to a bank account designated by the Company against delivery of certificates therefor to the Representatives for the several accounts of the Underwriters. Such payment and delivery are to be made through the facilities of the Depository Trust Company, New York, New York at 10:00 a.m., New York time, on the third business day after the date of this Agreement (or, if pricing occurs after 4:30 p.m., New York time, the fourth business days after the date of this Agreement) or at such other time and date not later than five business days thereafter as you and the Company shall agree upon, such time and date being herein referred to as the “Closing Date.” As used herein, “business day” means a day on which the New York Stock Exchange is



open for trading and on which banks in New York are open for business and are not permitted by law or executive order to be closed.

(c) In addition, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase the Option Shares at the price per share as set forth in the first paragraph of this Section. The option granted hereby may be exercised in whole or in part by giving written notice (i) at any time before the Closing Date and (ii) only once thereafter within 30 days after the date of this Agreement, by you, as the Representatives of the several Underwriters, to the Company setting forth the number of Option Shares as to which the several Underwriters are exercising the option, the names and denominations in which the Option Shares are to be registered and the time and date at which such certificates are to be delivered. The time and date at which certificates for Option Shares are to be delivered shall be determined by the Representatives but shall not be earlier than three nor later than 10 full business days after the exercise of such option, nor in any event prior to the Closing Date (such time and date being herein referred to as the "Option Closing Date"). If the date of exercise of the option is three or more days before the Closing Date, the notice of exercise shall set the Closing Date as the Option Closing Date. The number of Option Shares to be purchased by each Underwriter shall be in the same proportion to the total number of Option Shares being purchased as the number of Firm Shares being purchased by such Underwriter bears to the total number of Firm Shares, adjusted by you in such manner as to avoid fractional shares. The option with respect to the Option Shares granted hereunder may be exercised only to cover over-allotments in the sale of the Firm Shares by the Underwriters. You, as the Representatives of the several Underwriters, may cancel such option at any time prior to its expiration by giving written notice of such cancellation to the Company. To the extent, if any, that the option is exercised, payment for the Option Shares shall be made on the Option Closing Date in Federal (same day funds) through the facilities of the Depository Trust Company in New York, New York drawn to the order of the Company.

### 3. OFFERING BY THE UNDERWRITERS

It is understood that the several Underwriters are to make a public offering of the Firm Shares as soon as the Representatives deem it advisable to do so. The Firm Shares are to be initially offered to the public at the public offering price set forth in the Prospectus. The Representatives may from time to time thereafter change the public offering price and other selling terms. To the extent, if at all, that any Option Shares are purchased pursuant to Section 2 hereof, the Underwriters will offer them to the public on the foregoing terms.

It is further understood that you will act as the Representatives for the Underwriters in the offering and sale of the Shares in accordance with a Master Agreement Among Underwriters entered into by you and the several other Underwriters.

### 4. COVENANTS OF THE COMPANY

The Company covenants and agrees with the several Underwriters that:

(a) The Company will (i) use its best efforts to cause the Registration Statement to become effective or, if the procedure in Rule 430A of the Rules and Regulations is followed, to prepare and timely file with the Commission under Rule 424(b) of the Rules and Regulations a Prospectus in a form approved by the Representatives containing information previously omitted at the time of effectiveness of the Registration Statement in reliance on Rule 430A of the Rules and Regulations; (ii) not file any amendment to the Registration Statement or supplement to the Prospectus of which the Representatives shall not previously have been advised and furnished with a copy or to which the Representatives shall have reasonably objected in writing or which is not in compliance with the Rules and Regulations; and (iii) file on a timely basis all reports and any definitive proxy or information statements required to be filed by the Company with the Commission subsequent to the date of the Prospectus and prior to the termination of the offering of the Shares by the Underwriters.

(b) The Company will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, the stabilization or manipulation of the price of any securities of the Company.

(c) The Company will advise the Representatives promptly (i) when the Registration Statement or any post-effective amendment thereto shall have become effective; (ii) of receipt of any comments from the Commission; (iii) of any request of the Commission for amendment of the Registration Statement or for supplement to the Prospectus or for any additional information; and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the use of the Prospectus or of the institution of any proceedings for that purpose. The Company will use its best efforts to prevent the issuance of any such stop order preventing or suspending the use of the Prospectus and to obtain as soon as possible the lifting thereof, if issued.

(d) The Company will cooperate with the Representatives in endeavoring to qualify the Shares for sale under the securities laws of such jurisdictions as the Representatives may reasonably have designated in writing and will make such applications, file such documents, and furnish such information as may be reasonably required for that purpose, provided the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction where it is not now so qualified or required to file such a consent. The Company will, from time to time, prepare and file such statements, reports, and other documents, as are or may be required to continue such qualifications in effect for so long a period as the Representatives may reasonably request for distribution of the Shares.

(e) The Company will deliver to, or upon the order of, the Representatives, from time to time, as many copies of any Preliminary Prospectus as the Representatives may reasonably request. The Company will deliver to, or upon the order of, the Representatives during the period when delivery of a Prospectus is required under the Act, as many copies of the Prospectus in final form, or as thereafter amended or supplemented, as the Representatives may reasonably request. The Company will deliver to the Representatives at or before the Closing Date, one originally executed and three copies thereof of the Registration Statement and all amendments thereto including all exhibits filed therewith, and will deliver to the Representatives such number of copies of the Registration Statement (including such number of copies

of the exhibits filed therewith that may reasonably be requested) and of all amendments thereto, as the Representatives may reasonably request.

(f) The Company will comply with the Act and the Rules and Regulations, and the Exchange Act and the Exchange Act Rules, so as to permit the completion of the distribution of the Shares as contemplated in this Agreement and the Prospectus. If during the period in which a prospectus is required by law to be delivered by an Underwriter or dealer, any event shall occur as a result of which, in the judgment of the Company or in the reasonable opinion of the Underwriters, it becomes necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances existing at the time the Prospectus is delivered to a purchaser, not misleading, or, if it is necessary at any time to amend or supplement the Prospectus to comply with any law, the Company promptly will prepare and file with the Commission an appropriate amendment to the Registration Statement or supplement to the Prospectus so that the Prospectus as so amended or supplemented will not, in the light of the circumstances when it is so delivered, be misleading, or so that the Prospectus will comply with the law.

(g) The Company will make generally available to its security holders, as soon as it is practicable to do so, but in any event not later than 15 months after the effective date of the Registration Statement, an earnings statement (which need not be audited) in reasonable detail, covering a period of at least 12 consecutive months beginning after the effective date of the Registration Statement, which earning statement shall satisfy the requirements of Section 11(a) of the Act and Rule 158 of the Rules and Regulations and will advise you in writing when such statement has been so made available.

(h) Prior to the Closing Date, the Company will furnish to the Underwriters, as soon as they have been prepared by or are available to the Company, a copy of any unaudited interim financial statements of the Company for any period subsequent to the period covered by the most recent financial statements appearing in the Registration Statement and the Prospectus.

(i) The Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any shares of Common Stock or securities convertible into or exchangeable or exercisable for any shares of Common Stock, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing for a period of 60 days after the date of the Prospectus, otherwise than hereunder or with the prior written consent of RBC Dain Rauscher Inc.; provided, that this provision will not restrict the Company from (i) issuances pursuant to the exercise of options outstanding on the date of the Prospectus; (ii) grants of employee stock options and restricted stock pursuant to the terms of a plan in effect on the date of the Prospectus; (iii) issuances pursuant to the exercise of such options; (iv) issuances to the Company's employees under the terms of the employee stock purchase plan in effect on the date of the Prospectus; (v) issuances pursuant to the terms of the director compensation plan in effect on the date of the Prospectus; and (vi) the filing of registration statements on Form S-8 and amendments thereto in connection with those stock options or the Company's employee stock option plans in existence on the date of the Prospectus as described in the Prospectus.

(j) The Company will use its best efforts to list, subject to notice of issuance, the Shares on the American Stock Exchange.

(k) The Company has caused each executive officer and director of the Company to furnish to you, on or prior to the date of this Agreement, a letter or letters, in the form attached as Exhibit B (the "Lockup Agreements").

(l) The Company shall apply the net proceeds of its sale of the Shares as described under the heading "Use of Proceeds" in the Prospectus.

(m) The Company shall not invest, or otherwise use the proceeds received by the Company from its sale of the Shares in such a manner as would require the Company or any of the Subsidiaries to register as an investment company under the 1940 Act.

(n) The Company will maintain a transfer agent and, if necessary under the jurisdiction of incorporation of the Company, a registrar for the Common Stock.

#### 5. COSTS AND EXPENSES

The Company will pay all costs, expenses and fees incident to the performance of the obligations of the Company under this Agreement, including, without limiting the generality of the foregoing, the following: accounting fees of the Company; the fees and disbursements of counsel for the Company; the cost of printing and delivering to, or as requested by, the Underwriters copies of the Registration Statement, Preliminary Prospectuses, the Prospectus, the underwriters' selling memorandum and the underwriters' invitation letter, if any, the listing application and any supplements or amendments thereto; the filing fees of the Commission; the filing fees and expenses (including legal fees and disbursements) incident to securing any required review by the NASD of the terms of the sale of the Shares; and the listing fee of the American Stock Exchange. Any transfer taxes imposed on the sale of the Shares to the several Underwriters will be paid for by the Company.

The Company shall not, however, be required to pay for any of the Underwriters expenses (other than those related to qualification under NASD regulation) except that, if this Agreement shall not be consummated because the conditions in Section 6 hereof are not satisfied, or because this Agreement is terminated by the Representatives pursuant to Section 11(a) hereof, or by reason of any failure, refusal or inability on the part of the Company to perform any undertaking or satisfy any condition of this Agreement or to comply with any of the terms hereof on its part to be performed, unless such failure to satisfy said condition or to comply with said terms be due to the default or omission of any Underwriter, then the Company shall reimburse the several Underwriters for reasonable out-of-pocket expenses, including all fees and disbursements of counsel, reasonably incurred in connection with investigating, marketing and proposing to market the Shares or in contemplation of performing their obligations hereunder; but the Company shall not in any event be liable to any of the several Underwriters for damages on account of loss of anticipated profits from the sale by them of the Shares. The reimbursement

obligations of the Company pursuant to this Section 5 shall survive termination of this Agreement.

6. CONDITIONS OF OBLIGATIONS OF THE UNDERWRITERS

The several obligations of the Underwriters to purchase the Firm Shares on the Closing Date and the Option Shares, if any, on the Option Closing Date are subject to the accuracy, as of the Closing Date and the Option Closing Date, if any, of the representations and warranties of the Company contained herein, and to the performance by the Company of its covenants and obligations hereunder and to the following additional conditions:

(a) The Registration Statement and all post-effective amendments thereto shall have become effective and any and all filings required by Rule 424 and Rule 430A of the Rules and Regulations shall have been made, and any request of the Commission for additional information (to be included in the Registration Statement or otherwise) shall have been disclosed to the Representatives and complied with to their reasonable satisfaction. No stop order suspending the effectiveness of the Registration Statement, as amended from time to time, shall have been issued and no proceedings for that purpose shall have been taken or, to the knowledge of the Company, shall be contemplated by the Commission and no injunction, restraining order, or order of any nature by a Federal or state court of competent jurisdiction shall have been issued as of the Closing Date which would prevent the issuance of the Shares.

(b) The Representatives shall have received on the Closing Date and the Option Closing Date, if any, the opinion of LeBoeuf, Lamb, Greene & MacRae, L.L.P., counsel for the Company ("Company Counsel"), dated the Closing Date or the Option Closing Date, if any, addressed to the Underwriters with respect to such matters as the Representatives reasonably may request.

(c) The Representatives shall have received from each of Underwriters' Counsel and McLane, Graf, Raulerson & Middleton, Professional Association, New Hampshire counsel for the Underwriters, an opinion dated the Closing Date and the Option Closing Date, if any, with respect to such matters as the Representatives reasonably may request, and such counsel shall have received such papers and information as they request to enable them to pass upon such matters.

(d) You shall have received, on each of the dates hereof, the Closing Date and the Option Closing Date, if any, a letter dated the date hereof, the Closing Date or the Option Closing Date, if any, in form and substance satisfactory to you, of Grant Thornton LLP confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating that in their opinion the financial statements and schedules examined by them and included in the Registration Statement comply in form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations; and containing such other statements and information as is ordinarily included in accountants' "comfort letters" to Underwriters with respect to the financial statements

and certain financial and statistical information contained in the Registration Statement and the Prospectus.

(e) An order of the Commission under PUHCA authorizing the issuance and sale of the Shares shall be in full force and effect, and such order shall not have been amended since the date of this Agreement.

(f) The Representatives shall have received on the Closing Date and the Option Closing Date, if any, a certificate or certificates of the Company's Chief Executive Officer and Chief Financial Officer to the effect that, as of the Closing Date or the Option Closing Date, if any, each of them severally represents as follows:

(i) The Registration Statement has become effective under the Act and no stop order suspending the effectiveness of the Registrations Statement has been issued, and no proceedings for such purpose have been taken or are, to his knowledge, contemplated by the Commission;

(ii) The representations and warranties of the Company contained in Section 1 hereof are true and correct as of the Closing Date or the Option Closing Date, if any;

(iii) All filings required to have been made pursuant to Rules 424 or 430A under the Act have been made;

(iv) They have carefully examined the Registration Statement and the Prospectus and, in their opinion, as of the effective date of the Registration Statement, the statements contained or incorporated by reference in the Registration Statement were true and correct, and such Registration Statement and Prospectus did not omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, and since the effective date of the Registration Statement, no event has occurred which should have been set forth in a supplement to or an amendment of the Prospectus which has not been so set forth in such supplement or amendment; and

(v) Since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any material adverse change or any development involving a prospective change, which has had or is reasonably likely to have a Material Adverse Effect, whether or not arising in the ordinary course of business.

(g) The Company shall have furnished to the Representatives such further certificates and documents confirming the representations and warranties, covenants and conditions contained herein and related matters as the Representatives may reasonably have requested.

(h) The Firm Shares and Option Shares, if any, have been approved for listing upon notice of issuance on the American Stock Exchange.

(i) The Representatives shall have received the Lockup Agreements described in Section 4(k).

The opinions and certificates mentioned in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in all material respects satisfactory to the Representatives and to Underwriters' Counsel.

If any of the conditions hereinabove provided for in this Section shall not have been fulfilled when and as required by this Agreement to be fulfilled, the obligations of the Underwriters hereunder may be terminated by the Representative by notifying the Company of such termination in writing on or prior to the Closing Date or the Option Closing Date, if any.

In such event, the Company and the Underwriters shall not be under any obligation to each other (except to the extent provided in Sections 5 and 8 hereof).

7. CONDITIONS OF THE OBLIGATIONS OF THE COMPANY

The obligations of the Company to sell and deliver the Shares required to be delivered as and when specified in this Agreement are subject to the conditions that at the Closing Date or the Option Closing Date, if any, no stop order suspending the effectiveness of the Registration Statement shall have been issued and in effect or proceedings therefor initiated or threatened.

8. INDEMNIFICATION

(a) The Company agrees:

(i) to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act, against any losses, claims, damages or liabilities to which such Underwriter or any such controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (A) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto, (B) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (C) any act or failure to act, or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the Shares or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (A) or (B) above (*provided, however*, that the Company shall not be liable under this clause (C) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Underwriter through its gross negligence or willful misconduct); *provided, however*, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises

out of or is based upon an untrue statement or alleged untrue statement, or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Prospectus, or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by or through the Representatives specifically for use in the preparation thereof, it being understood and agreed that the only such information furnished by the Underwriters consists of the information described as such in Section 13; *provided further*, that with respect to any untrue statement or omission or alleged untrue statement or omission in or from any Preliminary Prospectus or Prospectus, the indemnity agreement contained in this Section 8(a) shall not inure to the benefit of any Underwriter from whom the person asserting any such loss, claim, damage or liability purchased the Shares concerned, to the extent that any such loss, claim, damage or liability of such Underwriter occurs under the circumstance where (w) the Company previously furnished copies of the Prospectus to the Representatives, (x) delivery of the Prospectus was required by the Act to be made to such person, (y) the untrue statement or omission or alleged untrue statement or omission in or from the Preliminary Prospectus was corrected in the Prospectus and (z) there was not sent or given to such person, at or prior to the written confirmation of the sale of such securities to such person, a copy of the Prospectus.

(ii) to reimburse each Underwriter and each such controlling person upon demand for any legal or other out-of-pocket expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating or defending any such loss, claim, damage or liability, action or proceeding or in responding to a subpoena or governmental inquiry for which such Underwriter or such controlling person would be entitled to indemnification under clause (i), above, whether or not such Underwriter or controlling person is a party to any action or proceeding. In the event that it is finally judicially determined that the Underwriters were not entitled to receive payments for legal and other expenses pursuant to this subparagraph, the Underwriters will promptly return all sums that had been advanced pursuant hereto.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, each of its officers who have signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Act, against any losses, claims, damages or liabilities to which the Company or any such director, officer, or controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto, or (ii) the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; and to reimburse any legal or other out-of-pocket expenses reasonably incurred by the Company or any such director, officer, or controlling person in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding or in responding to a subpoena or governmental inquiry for which the Company or any such director, officer or controlling person would be entitled to indemnification under this subsection (b), whether or not the Company or such director, officer



or controlling person is a party to any action or proceeding; *provided, however*, that each Underwriter will be liable in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission has been made in the Registration Statement, any Preliminary Prospectus, the Prospectus or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by or through the Representatives specifically for use in the preparation thereof, it being understood and agreed that the only such information furnished by the Underwriters consists of the information described as such in Section 13.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to this Section 8, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing. No indemnification provided for in Section 8(a) or (b) shall be available to any party who shall fail to give notice as provided in this Subsection if the party to whom notice was not given was unaware of the proceeding to which such notice would have related and was materially prejudiced by the failure to give such notice, but the failure to give such notice shall not relieve the indemnifying party or parties from any liability which it or they may have to the indemnified party for contribution or otherwise than on account of the provisions of Section 8(a) or (b). In case any such proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party and shall pay as incurred the fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel at its own expense. Notwithstanding the foregoing, the indemnifying party shall pay as incurred (or within 30 days of presentation) the fees and expenses of the counsel retained by the indemnified party in the event (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel, (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them or (iii) the indemnifying party shall have failed to assume the defense and employ counsel acceptable to the indemnified party within a reasonable period of time after notice of commencement of the action.

It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm for all such indemnified parties. Such firm shall be designated in writing by you in the case of parties indemnified pursuant to Section 8(a) and by the Company in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. In addition, the indemnifying party will not, without the prior written consent of the indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding of which indemnification may be sought

hereunder (whether or not any indemnified party is an actual or potential party to such claim, action or proceeding) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action or proceeding.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under Section 8(a) or (b) above in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, (or actions or proceedings in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Subsection were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Subsection. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Subsection shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Subsection, (i) no Underwriter shall be required to contribute any amount in excess of the underwriting discounts and commissions applicable to the Shares purchased by such Underwriter and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Subsection to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) In any proceeding relating to the Registration Statement, any Preliminary Prospectus, the Prospectus or any supplement or amendment thereto, each party against whom

contribution may be sought under this Section 8 hereby consents to the jurisdiction of any court having jurisdiction over any other contributing party, agrees that process issuing from such court may be served upon him or it by any other contributing party and consents to the service of such process and agrees that any other contributing party may join him or it as an additional defendant in any such proceeding in which such other contributing party is a party.

(f) Any losses, claims, damages, liabilities or expenses for which an indemnified party is entitled to indemnification or contribution under this Section 8 shall be paid by the indemnifying party to the indemnified party as such losses, claims, damages, liabilities or expenses are incurred.

9. DEFAULT BY UNDERWRITERS

If on the Closing Date or the Option Closing Date, if any, any Underwriter shall fail to purchase and pay for the portion of the Shares which such Underwriter has agreed to purchase and pay for on such date (otherwise than by reason of any default on the part of the Company), you, as the Representatives of the Underwriters, shall use your reasonable efforts to procure within 36 hours thereafter one or more of the other Underwriters, or any others, to purchase from the Company such amounts as may be agreed upon and upon the terms set forth herein, the Firm Shares or Option Shares, as the case may be, which the defaulting Underwriter or Underwriters failed to purchase. If during such 36 hours you, as such Representatives, shall not have procured such other Underwriters, or any others, to purchase the Firm Shares or Option Shares, as the case may be, agreed to be purchased by the defaulting Underwriter or Underwriters, then (a) if the aggregate number of shares with respect to which such default shall occur does not exceed 10% of the Firm Shares or Option Shares, as the case may be, covered hereby, the other Underwriters shall be obligated, severally, in proportion to the respective numbers of Firm Shares or Option Shares, as the case may be, which they are obligated to purchase hereunder, to purchase the Firm Shares or Option Shares, as the case may be, which such defaulting Underwriter or Underwriters failed to purchase, or (b) if the aggregate number of shares of Firm Shares or Option Shares, as the case may be, with respect to which such default shall occur exceeds 10% of the Firm Shares or Option Shares, as the case may be, covered hereby, the Company or you as the Representatives of the Underwriters will have the right, by written notice given within the next 36-hour period to the parties to this Agreement, to terminate this Agreement without liability on the part of the non-defaulting Underwriters or of the Company except to the extent provided in Section 8 hereof. In the event of a default by any Underwriter or Underwriters, as set forth in this Section 9, the Closing Date or Option Closing Date, if any, may be postponed for such period, not exceeding seven days, as you, as Representatives, may determine in order that the required changes in the Registration Statement or in the Prospectus or in any other documents or arrangements may be effected. The term "Underwriter" includes any person substituted for a defaulting Underwriter. Any action taken under this Section shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

10. NOTICES

All communications hereunder shall be in writing and, except as otherwise provided herein, will be mailed, delivered, or faxed and confirmed as follows:

if to the Underwriters, to

RBC Dain Rauscher Inc.  
c/o RBC Capital Markets  
Compliance  
One Liberty Plaza  
New York, NY 10006  
Attention: Mark Egert  
Counsel, Divisional Director  
Fax: (212)858-7455

if to the Company, to

Unitil Corporation  
6 Liberty Lane West  
Hampton, NH 03842-1720  
Attention: Mark H. Collin  
Senior Vice President and  
Chief Financial Officer  
Fax: (603) 773-6812

11. TERMINATION

This Agreement may be terminated:

(a) by you by notice to the Company at any time prior to the Closing Date if any of the following has occurred: (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus, any material adverse change or any development involving a prospective change, which has had or is reasonably likely to have a Material Adverse Effect; (ii) any outbreak or escalation of hostilities or declaration of war or national emergency or act of terrorism or other national or international calamity or crisis or change in economic or political conditions if the effect of such outbreak, escalation, declaration, emergency, act of terrorism, calamity, crisis or change on the financial markets of the United States would, in your reasonable judgment, make it impracticable or inadvisable to market the Shares or to enforce contracts for the sale of the Shares; (iii) suspension of trading in securities generally on the New York Stock Exchange or the American Stock Exchange or limitation on prices (other than limitations on hours or numbers of days of trading) for securities on either such Exchange; (iv) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which in your opinion materially and adversely affects or may materially and adversely affect the business or operations of the Company; (v) declaration of a banking moratorium by United States or New York State authorities; (vi) the suspension of trading of the Company's common stock by the American Stock Exchange, the Commission, or any other governmental authority; or (vii) the taking of any action by any

governmental body or agency in respect of its monetary or fiscal affairs which in your reasonable opinion has a material adverse effect on the securities markets in the United States; or

(b) as provided in Sections 6 and 9 of this Agreement.

12. SUCCESSORS

This Agreement has been and is made solely for the benefit of the Company and Underwriters and their respective successors, executors, administrators, heirs and assigns, and the officers, directors and controlling persons referred to herein, and no other person will have any right or obligation hereunder. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign merely because of such purchase.

13. INFORMATION PROVIDED BY UNDERWRITERS

The Company and the Underwriters acknowledge and agree that the only information furnished or to be furnished by any Underwriter to the Company for inclusion in any Prospectus or the Registration Statement consists of the information contained in the list of Underwriters and their respective participation in the sale of the Shares, and paragraphs 4, 10 (including the bullet points thereunder), 11 and 12 under the caption "Underwriting" in the Prospectus.

14. MISCELLANEOUS

The reimbursement, indemnification and contribution agreements contained in this Agreement and the representations, warranties and covenants in this Agreement shall remain operative and in full force and effect regardless of (a) any termination of this Agreement, (b) any investigation made by or on behalf of any Underwriter or controlling person thereof, or by or on behalf of the Company or its directors or officers and (c) delivery of and payment for the Shares under this Agreement.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof.

This Agreement may only be amended or modified in writing, signed by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit.

[remainder of page intentionally blank]

If the foregoing letter is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicates hereof, whereupon it will become a binding agreement among the Company and the several Underwriters in accordance with its terms.

Very truly yours,  
**UNITIL CORPORATION**

By: \_\_\_\_\_  
Mark H. Collin  
Senior Vice President and  
Chief Financial Officer

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

**RBC DAIN RAUSCHER INC.**  
**EDWARD D. JONES & CO. L.P.**

As the Representatives of the several Underwriters listed on Schedule I

By: RBC Dain Rauscher Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE I**

**SCHEDULE OF UNDERWRITERS**

	<u>Underwriter</u>	<u>Number of Firm Shares to be Purchased</u>
RBC Dain Rauscher Inc.		
Edward D. Jones & Co., L.P.		
<b>Total</b>		<u>520,000</u>

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**EXHIBIT A**  
**LIST OF SUBSIDIARIES**

Unitil Energy Systems, Inc., a New Hampshire corporation\*

Fitchburg Gas and Electric Light Company, a Massachusetts corporation†

Fitchburg Energy Development Co., a Delaware corporation

Unitil Power Corp., a New Hampshire corporation

Unitil Realty Corp., a New Hampshire corporation

Unitil Service Corp., a New Hampshire corporation

Unitil Resources, Inc., a New Hampshire corporation

Usource, Inc., a Delaware corporation

Usource, L.L.C., a Delaware limited liability company

\* UES has Redeemable Cumulative Preferred Stock and Non-Redeemable, Non-Cumulative Preferred Stock outstanding, as described in the financial statements included in the Registration Statement, which are not owned by the Company.

† FG&E has Redeemable Cumulative Preferred Stock outstanding, as described in the financial statements included in the Registration Statement, which is not owned by the Company.



**EXHIBIT B**  
**FORM OF LOCKUP AGREEMENT**

[Date]

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

RBC Dain Rauscher Inc.  
Edward D. Jones & Co., L.P.  
As representatives of the served Underwriters

c/o RBC Capital Markets  
60 South Sixth Street  
Minneapolis, MN 55402

Dear Ladies and Gentlemen:

As an inducement to the several Underwriters to execute the Underwriting Agreement, pursuant to which an offering will be made that is intended to result in an orderly market for common stock, no par value (the "Common Stock"), of Unitil Corporation, and any successor (by merger or otherwise) thereto (the "Company"), the undersigned hereby agrees that from the date hereof through and including the date that is 60 days after the public offering date set forth on the final prospectus used to sell the Common Stock (the "Public Offering Date") pursuant to the Underwriting Agreement, to which you are or expect to become parties, the undersigned will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of Common Stock or securities convertible into or exchangeable or exercisable for any shares of Common Stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such aforementioned transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of RBC Dain Rauscher Inc. In addition, the undersigned agrees that, without the prior written consent of RBC Dain Rauscher Inc., it will not, during the period commencing on the date hereof and ending 60 days after the Public Offering Date, make any demand for or exercise any right with respect to, the registration of any Common Stock or any security convertible into or exercisable or exchangeable for the Common Stock.

Any Common Stock received upon exercise of options granted to the undersigned will also be subject to this Agreement. In addition, any Common Stock acquired by the undersigned in connection with the offering contemplated by the Underwriting Agreement will also be subject to this Agreement. Any Common Stock acquired by the undersigned in the open market will not be subject to this Agreement. A transfer of Common Stock (i) that is a *bona fide* gift or gifts or

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(ii) to a family member or trust may be made, provided the transferee agrees to be bound in writing by the terms of this Agreement.

In furtherance of the foregoing, the Company and its transfer agent and registrar are hereby authorized to decline to make any transfer of shares of Common Stock if such transfer would constitute a violation or breach of this Agreement.

This Agreement shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned. This Agreement shall lapse and become null and void if the Public Offering Date shall not have occurred on or before the date that is 30 days after the date of this Agreement.

Very truly yours,

---

No. FBU 17644

\_\_\_\_\_ Shares

INCORPORATED UNDER THE LAWS OF THE STATE OF NEW HAMPSHIRE

# UNITIL CORPORATION

SEE REVERSE FOR  
CERTAIN DEFINITIONS

THIS CERTIFICATE IS TRANSFERABLE EITHER IN NEW YORK, NEW YORK OR IN BOSTON, MASSACHUSETTS

## COMMON STOCK

CUSIP 913259 10 7

THIS CERTIFIES that

### SPECIMEN

is the registered holder of

FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK, WITHOUT NOMINAL OR PAR VALUE, OF UNITIL CORPORATION, transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed or assigned. This Certificate and the shares represented hereby are subject to the laws of The State of New Hampshire and to the Articles of Incorporation and By-Laws of the Company, and amendments to each. This Certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar of the Company.

WITNESS the corporate seal of the Company and the signatures of its duly authorized officers.

[SEAL: UNITIL CORPORATION  
INCORPORATED NEW HAMPSHIRE 1984]

Dated \_\_\_\_\_

/s/ MARK H. COLLIN

TREASURER

/s/ ROBERT G. SCHOENBERGER

CHAIRMAN OF THE BOARD AND  
CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED

**EquiServe Trust Company, N.A.**

BY

TRANSFER AGENT  
AND REGISTRAR  
AUTHORIZED OFFICER

**UNITIL CORPORATION**

THE COMPANY WILL FURNISH TO ANY SHAREHOLDER, WITHOUT CHARGE, UPON WRITTEN REQUEST ADDRESSED TO THE SECRETARY OF THE COMPANY, A STATEMENT OF THE TERMS OF THE COMPANY'S COMMON STOCK.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-as tenants in common	UNIF GIFT MIN ACT-	.....Custodian.....
TEN ENT	-as tenants by the entireties		(Cust) (Minor)
			under Uniform Gifts to Minors Act
JT TEN	-as joint tenants with right of survivorship and not as tenants in common		..... (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sell, assign and transfer unto

**PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE)**

\_\_\_\_\_ Shares  
of the Capital Stock represented by the within Certificate and do hereby irrevocably constitute and appoint

\_\_\_\_\_ Attorney  
to transfer the said Stock on the books of the within-named Company, with full power of substitution in the premises.

Dated: \_\_\_\_\_

In the presence of

\_\_\_\_\_

\_\_\_\_\_  
**NOTICE: The signature to this assignment must correspond with the name(s) written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.**

**LEBOEUF, LAMB, GREENE & MACRAE**

L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

NEW YORK  
 WASHINGTON, D.C.  
 ALBANY  
 BOSTON  
 DENVER  
 HARRISBURG  
 HARTFORD  
 HOUSTON  
 JACKSONVILLE  
 LOS ANGELES  
 NEWARK  
 PITTSBURGH  
 SALT LAKE CITY  
 SAN FRANCISCO

**260 Franklin Street**  
**Boston, MA 02110-3173**  
**(617) 748-6800**  
**FACSIMILE: (617) 439-0341**

LONDON  
 (A LONDON-BASED  
 MULTINATIONAL PARTNERSHIP)  
 PARIS  
 BRUSSELS  
 JOHANNESBURG  
 (PTY) LTD.  
 MOSCOW  
 RIYADH  
 (AFFILIATED OFFICE)  
 TASHKENT  
 BISHKEK  
 ALMATY  
 BEIJING

October 7, 2003

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

Re: Unitil Corporation Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to Unitil Corporation, a New Hampshire corporation (the "Registrant"), in connection with the Registration Statement on Form S-3 (File No. 333-108349) (the "Registration Statement") filed by the Registrant with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), relating to an offering (the "Offering") of shares of the Registrant's common stock, no par value (the "Common Stock"), by the Registrant (such shares of Common Stock, including any shares that may be sold upon exercise of the underwriters' over-allotment option and any additional shares that may be registered in accordance with Rule 462(b) under the Securities Act for sale in the Offering, the "Shares").

In connection with this opinion, we have examined and relied upon originals (or copies certified or otherwise identified to our satisfaction) of such documents, corporate records, certificates and other instruments as we have deemed necessary or appropriate for the purposes of this opinion.

In expressing the opinion set forth below, we have assumed, without investigation, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the authenticity of the originals of all such latter documents. As to any facts material to this opinion, we have relied upon the aforesaid documents, corporate records, certificates and instruments and inquiries of Registrant representatives.

Based upon the foregoing, we are of the opinion that upon the issuance and delivery against payment therefor in accordance with the terms of the underwriting agreement (a form of which is filed as Exhibit 1 to the Registration Statement), the Shares will be duly authorized, validly issued, fully paid and non-assessable under the laws of the State of New Hampshire.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement, to the reference to our firm under the caption "Legal Matters" in the prospectus forming a part thereof and to the incorporation by reference of this opinion and consent as exhibits to any registration statement filed in accordance with Rule 462(b) under the Securities Act relating to the Offering. In giving such consent, we do not thereby concede that we are in the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ LeBoeuf, Lamb, Greene & MacRae, L.L.P.