

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

FORM U-1

APPLICATION AND DECLARATION

UNDER THE

PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

UNITIL CORPORATION
6 Liberty Lane West
Hampton, New Hampshire 03833

UNITIL CORPORATION

(name of top registered holding company parent)

Mark H. Collin
Treasurer

UNITIL CORPORATION
6 Liberty Lane West
Hampton, New Hampshire 03833
(Name and address of agent for service)

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

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

Item 1. DESCRIPTION OF THE PROPOSED TRANSACTIONS

Unitil Corporation, a New Hampshire corporation ("Unitil") and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "Act") hereby applies for the approval of the Securities and Exchange Commission (the "Commission") under Sections 6(a) and 7 of the Act for: (i) the granting of options (the "Stock Options") which will entitle the holders thereof to purchase up to 350,000 shares of its no par value common stock (the "Common Stock") under its 1998 Stock Option Plan (the "Plan") and (ii) the issuance of up to 350,000 shares of Common Stock upon the exercise of options to be granted under the Plan.

A. Authorization to Grant Options to Purchase Common Stock

Effective December 11, 1998, by action of its board of directors Unitil will adopt the Plan. The purpose of the Plan is to provide an incentive to key employees and directors of Unitil and its affiliates who are in a position to contribute materially to the long-term success of Unitil and/or its affiliates, to increase their interest in the welfare of Unitil and its affiliates and to aid in attracting and retaining employees and directors of outstanding ability.

There are approximately 28 employees and directors of Unitil and its affiliates who are eligible to participate in the Plan. The Plan is administered by a committee (the "Committee") consisting of members of the Unitil Board of Directors. The Committee has authority to determine the eligibility of employees and directors to participate in the Plan, to grant Stock Options under the Plan, to interpret the Plan, to prescribe, amend, and rescind rules and regulations relating to the Plan, to determine the terms and provisions of Stock Option agreements executed pursuant to the Plan (including the purchase price and the period during which such Options may be exercised) and to make all other determinations necessary or advisable for the administration of the Plan. While Committee members are eligible to receive Stock Options under the Plan, no member of the Committee will have the authority to render any decision with respect to his or her participation in or entitlement to benefits under the Plan. From time to time, the Committee will determine and designate those employees and directors who are to be granted Stock Options and shall specify the number of shares of Common Stock subject to each Stock Option.

The Plan contains provisions regarding the effect of termination of director status or employment with Unitil on outstanding Stock Options. If the

employment or status as a director of a grantee of a Stock Option pursuant to the Plan is terminated for any reason other than for cause (as defined in the Plan attached as Exhibit A-2 hereto), only those Stock Options held by such grantee which are immediately exercisable at the time of such termination shall be exercisable by such grantee following the termination. Any such Stock Options must be exercised within 3 months after such termination of employment or status as a director, but in no event after expiration of the Stock Option's term, or they will be forfeited. If a grantee's employment or status as a director is terminated by Unitil or an affiliate for cause (as defined in the Plan attached as Exhibit A-2 hereto), all then outstanding Stock Options held by such grantee will expire immediately and will not be exercisable after the termination of the grantee's employment or status as a director.

If a grantee's employment or status as a director is terminated on account of the grantee's death, or in the case of an employee, on account of such employee's disability (as defined in the Plan attached as Exhibit A-2 hereto), only those Stock Options held by the grantee which were immediately exercisable at the date of his or her death or disability will be exercisable by the grantee, or the grantee's guardian or legal representative, or the grantee's estate or beneficiaries thereof to whom the Stock Options have been transferred. Any such Stock Options must be exercised by the earlier of (i) 12 months from the date of the grantee's death or disability, or (ii) the expiration of the Stock Option's term, or they will be forfeited.

Stock Options granted under the Plan will entitle the holders thereof to purchase Common Stock at a price established by the Committee. Under the Plan, Stock Options for shares constituting not more than 5% of the outstanding Common Stock may be issued in any one year to eligible grantees. Assuming no change in the number of shares outstanding as of November 1, 1998, the maximum number of shares which may be issued in connection with the Plan during the first year is 227,385. In the event of any stock dividend, stock-split, recapitalization or other similar change to the Common Stock, the Committee will make proportionate adjustments with respect to the Plan. The Board of Directors of Unitil may also amend, suspend, discontinue or terminate the Plan, provided that such action may not adversely affect the rights of any grantee under a Stock Option previously granted thereto. For further information concerning the provisions of the Plan, reference is made to Exhibit A-2 hereto.

Unitil hereby requests authorization to grant Stock Options under to the Plan to purchase Common Stock which will entitle the holders thereof to purchase up to 350,000 shares of Common Stock.

B. Authorization to Issue Shares of Common Stock Under the Plan

Unitil anticipates that the Stock Options to be granted under to the Plan could result in the issuance of up to 350,000 shares of Common Stock. Unitil intends to file a registration statement with the Commission for the purpose of registering the shares of Common Stock to be issued upon exercise of the Stock Options under the Securities Act of 1933, as amended (the "1933 Act"). Unitil hereby requests authorization for the issuance of up to 350,000 shares of Common Stock upon the exercise of Stock Options to be granted under the Plan.

C. Involvement of Unitil and its Affiliates with Exempt Wholesale Generators and Foreign Utility Companies.

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

Item 2 FEES, COMMISSIONS AND EXPENSES

The fees, commissions and expenses of Unitil expected to be paid or incurred, directly or indirectly, in connection with the transactions described above are estimated as follows:

Commission Filing fees relating to 1933 Act Registration.	\$ 2,700
Legal fees.	\$25,000
Exchanging, printing and engraving of stock certificates	\$ 4,000
Miscellaneous\$12,000
Total\$43,700

Item 3 APPLICABLE STATUTORY PROVISIONS

Sections 6 and 7 of the Act are directly applicable to this application and declaration. The proposed issuance and sale of shares through the 1998 Stock Option Plan are subject to Sections 6 and 7 of the Act. Unitil requests that this declaration be allowed to become effective under Section 7 of the Act for the maximum number of shares described in Item 1 above (350,000) to be issued pursuant to the Plan. Item 4 REGULATORY APPROVALS

No commission, other than this Commission, has jurisdiction over the proposed transaction described in this Application.

Item 5 PROCEDURE

It is requested that the Commission issue and publish no later than December 18, 1998, the requisite notice under Rule 23 with respect to the filing of this Declaration, such notice to specify a date not later than January 12, 1999 as the date after which an order granting and permitting this Declaration to become effective may be entered by the Commission and that the Commission enter not later than January 12, 1999, an appropriate order granting and permitting this Declaration to become effective.

Unitil respectfully requests that appropriate and timely action be taken by the Commission in this matter. No recommended decision by a hearing officer or other responsible officer of the Commission is necessary or required in this matter. The Division of Investment Management of the Commission may assist in the preparation of the Commission's decision in this matter. There should be no thirty-day waiting period between the issuance and the effective date of any order issued by the Commission in this matter, and it is respectfully requested that any such order be made effective immediately upon the entry thereof.

Item 6 EXHIBITS AND FINANCIAL STATEMENTS

a) Exhibits

A-1 Articles of Incorporation of Unitil Corporation (Incorporated by Reference to Exhibit 3.1 to Form S-14 Registration Statement 2-93769. 1992 Amendment to Articles of Incorporation Incorporated by Reference to Exhibit 3.2 to Form 10-K for 1992)

A-2 Unitil Corporation 1998 Stock Option Plan

F-1 Opinion of Counsel

G-1 Financial Data Schedule

H-1 Proposed Form of Notice

b) Financial Statements

1. Consolidated Condensed Balance Sheets, September 30, 1998 (per book and pro forma)
2. Consolidated Condensed Statement of earnings, twelve months ended September 30, 1998 (per book and pro forma)
3. Consolidated Statements of cash flows, twelve months ended September 30, 1998 (per book and pro forma)

Item 7 INFORMATION AS TO ENVIRONMENTAL EFFECTS

The proposed transactions described herein involve the acquisition, issuance or sale of securities and not any major action which will significantly affect the quality of the human environment.

No federal agency has prepared or is preparing an environmental impact statement with respect to the transactions proposed herein.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the undersigned company has duly caused this statement to be signed on its behalf by the undersigned thereunto duly authorized.

UNITIL CORPORATION

By: /s/ Mark H. Collin

Name: Mark H. Collin
Title: Treasurer

December 11, 1998

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Gentlemen:

This opinion is furnished to the Securities and Exchange Commission (the "Commission") in connection with the filing with the Commission of the Declaration on Form U-1 (File 70-____) of Unitil Corporation (the "Company") under the Public Utility Holding Company Act of 1935, as amended. The Declaration seeks approval for the granting of options (the "Options") to purchase shares of the Company's common stock, no par value (the "Common Stock"), under the 1998 Stock Option Plan of the Company (the "Plan") and the issuance of the underlying shares of Common Stock upon exercise thereof.

We have acted as counsel for the Company in connection with the adoption of the Plan and the filing of the Declaration. In connection with this opinion we have examined originals or copies certified or otherwise identified to our satisfaction of:

- (1) The charter documents and by-laws of the Company, as amended to date;
- (2) Minutes of meetings of the Company's directors, as kept in the minute book;
- (3) The form of the Plan filed as an exhibit to the Declaration; and
- (4) Such other certificates, documents and papers as we have deemed necessary or appropriate for the purpose of rendering this opinion.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the authentic documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid agreements, instruments, certificates and documents. In addition, we have examined such questions of law as we have considered necessary or appropriate for the purpose of rendering this opinion.

Based on the foregoing, and subject to the final paragraph hereof, we are of the opinion that:

- (1) The Company is validly existing as a corporation under the laws of the state of New Hampshire;
- (2) Provided that the Commission shall have duly entered an appropriate order granting and permitting the Declaration to become effective with respect to the Plan and the proposed transactions shall have been consummated in accordance with the Declaration, the Commission's order with respect thereto, the Plan, the terms of the Company's Articles of Incorporation and the resolutions adopted by the Company's board of directors, including without limitation, payment of the consideration called for therein:
 - (a) all State laws that are applicable to the proposed transactions will have been complied with;
 - (b) the Options to be granted by the Company will be duly and validly issued;
 - (c) the shares of Common Stock to be issued by the Company upon exercise of the Options will be validly issued, fully paid and non-assessable, and the holders thereof will be entitled to the rights and privileges pertaining thereto as set forth in the Company's Articles of Incorporation; and
 - (d) the consummation of the transactions described in the Declaration will not violate the legal rights of the holders of any securities issued by the Company.

We hereby consent to the use of this opinion as an exhibit to the Declaration.

We are not, in this opinion, opining on any laws other than the laws of the State of New Hampshire and the federal laws of the United States.

Very truly yours,

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

OPUR1
1,000

YEAR	DEC-31-1998	OCT-01-1998	SEP-30-1998	PER-BOOK
	156,612			
	42			
	27,756			
	57,131			
		0		
		241,541		
			36,819	
	1,461			
		34,039		
72,319				
		3,619		
			225	
		74,152		
		12,575		
	0			
	0			
1,175				
	0			
	4,163			
		1,046		
72,267				
241,541				
	168,969			
		3,591		
	150,115			
	153,706			
	15,263			
		197		
15,066				
	7,071			
		7,995		
	275			
7,720				
	6,042			
	5,380			
	14,361			
		1.72		
		1.68		

SECURITIES AND EXCHANGE COMMISSION

Release No. _____

Unitil Corporation
(70-____)

Unitil Corporation, 6 Liberty Lane West, Hampton, New Hampshire 03833 ("Unitil"), a registered holding company, has filed a declaration with the Commission pursuant to Sections 6(a) and 7 of the Act.

Effective December 11, 1998, Unitil adopted an employee stock option plan, known as the Unitil Corporation 1998 Stock Option Plan ("Plan"), pursuant to which its directors and certain key employees of Unitil and its affiliates may be granted stock options ("Stock Options") to purchase shares of Unitil no par value common stock ("Common Stock") as incentive compensation.

Options granted under the Plan will entitle the holders thereof to purchase Common Stock at a price to be determined by a committee consisting of non-employees members of the Unitil Board of Directors ("Committee"). The Plan provides for the issuance of Stock Options exercisable for an aggregate of 350,000 shares of Common Stock; provided that Unitil may not grant Stock Options for more than 5% of the outstanding Common Stock in any one year to eligible grantees. Based upon the number of shares outstanding as of November 1, 1998, the maximum number of shares which may be issued in connection with the Plan during the first year is 227,385. In the event of any stock dividend, stock-split, recapitalization or other similar change to the Common Stock, the Committee shall make proportionate adjustments with respect to the Stock Options and shares of Common Stock to be granted under the Plan. The Board of Directors of Unitil may also amend, suspend or terminate the Plan, provided that such action may not adversely affect the rights of any grantee of a Stock Option thereunder.

Accordingly, Unitil requests authorization, from time to time, to grant Options pursuant to the terms of the Plan, and, in connection with the exercise of such Options, to issue up to an aggregate maximum of 350,000 shares of its Common Stock.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Unitil Corporation
Consolidated Statement of Cash Flows
(\$000)
(Unaudited)

Twelve Months Ended
September 30, 1998

	1998	Proforma Adjustments	Adjusted
Net Cash Flow from Operating Activities:			
Net Income	\$ 7,995	\$ (42)	\$ 7,953
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	9,889		9,889
Deferred Taxes	349		349
Amortization of Investment Tax Credit	(368)		(368)
Provision for Doubtful Accounts	815		815
Amortization of Debt Issuance Costs	62		62
Issuance of Stock Options	0	63	63
Changes in Assets and Liabilities			
(Increase) Decrease in:			
Accounts Receivable	239		239
Materials and Supplies	(727)		(727)
Prepayments & Prepaid Pension	(543)		(543)
Accrued Revenue	2,280		2,280
Increase (Decrease) in:			
Accounts Payable	(2,295)		(2,295)
Refundable Customer Deposits	(1,089)		(1,089)
Taxes & Interest Payable	836	(21)	815
Other, Net	(828)		(828)
Net Cash Provided by Operating Activities	16,615	0	16,615
Net Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment	(15,349)		(15,349)
Proceeds from Taking of Land & Building	0		0
Net Cash Used in Investing Activities	(15,349)	0	(15,349)
Cash Flows from Financing Activities:			
Proceeds From (Repayment of) Short-Term Debt	(675)		(675)
Proceeds from Issuance of Long-Term Debt	20,000		20,000
Repayment of Long-Term Debt	(13,183)		(13,183)
Dividends Paid	(6,277)		(6,277)
Issuance of Common Stock	2,041		2,041
Retirement of Preferred Stock	(47)		(47)
Repayment of Capital Lease Obligations	(985)		(985)
Net Cash Provided By (Used in) Financing Activities	874	0	874
Net (Decrease) Increase in Cash	2,140	0	2,140
Cash at Beginning of Year	2,235		2,235
Cash at September 30,	\$ 4,375	0	\$ 4,375

Unitil Corporation
Consolidated Condensed Balance Sheet
(\$000)
(Unaudited)

	September 30, 1998	Proforma Adjustments	Adjusted
ASSETS			
Utility Plant:			
Electric	\$ 172,371		\$ 172,371
Gas	31,314		31,314
Common	20,655		20,655

Construction in Progress	5,096		5,096
Total Utility Plant	229,436	\$ 0	229,436
Less: Accumulated Depreciation	72,824		72,824
Net Utility Plant	156,612	0	156,612
Other Property & Investments	42		42
Cash	4,375		4,375
Accounts Receivable and Other	23,381		23,381
Total Current Assets	27,756	0	27,756
Deferred Assets	57,131		57,131
Total	\$ 241,541	\$ -	\$ 241,541
CAPITALIZATION AND LIABILITIES			
Capitalization:			
Common Stock	\$ 36,819	\$ -	\$ 36,819
Misc. PIC - Stock Options	1,461	1,264	2,725
Retained Earnings	34,039	(834)	33,205
Preferred Stock	3,844		3,844
Long-Term Debt	74,152		74,152
Total Capitalization	150,315	430	150,745
Capitalized Lease Obligations	4,163		4,163
Current Liabilities:			
Long-Term Debt, Current Portion	1,175		1,175
Short-Term Debt	12,575		12,575
Accounts Payable and Other	23,308	(430)	22,878
Total Current Liabilities	37,058	(430)	36,628
Deferred Liabilities	9,387		9,387
Deferred Income Taxes	40,618		40,618
Total	\$ 241,541	\$ -	\$ 241,541

NOTES:

The pro forma adjustment reflects the issuance of 350,000 options over five years

Issuance of 350,000 options	350,000
Calculated Compensation Expense:	
Fair Value per share, per Black-Scholes Options Pricing Model	\$ 3.61
Total Compensation Expense to be recorded over Vesting Period (\$000)	\$ 1,264
Times Effective tax rate -- 34%	34%
Income Taxes (34% effective tax rate) (\$000)	\$ (430)

Unitil Corporation
Consolidated Condensed Statement of Earnings
(\$000)

Twelve Months Ended
September 30, 1998

	1998	Proforma Adjustments	Adjusted
	-----	-----	-----
Operating Revenues:			
Electric	\$ 150,909	\$ -	\$ 150,909
Gas	18,031		18,031
Other	29		29
	-----	-----	-----
Total Operating Revenues	168,969	-	168,969
	-----	-----	-----
Operating Expenses:			
Fuel and Purchased Power	100,279		100,279
Gas Purchased for Resale	10,749		10,749
Operation and Maintenance	23,779	63A	23,842
Depreciation and Amortization	9,890		9,890
Provisions for Taxes:			
Local Property and Other	5,418		5,418
Federal and State Income	3,591	(21)B	3,570
	-----	-----	-----
Total Operating Expenses	153,706	42	153,748
	-----	-----	-----
Operating Income	15,263	(42)	15,221
Non-Operating Expenses (Income)	197		197
	-----	-----	-----
Income Before Interest Expense	15,066	(42)	15,024
Interest Expense, Net	7,071		7,071
	-----	-----	-----
Net Income	7,995	(42)	7,953
	-----	-----	-----
Less Dividends on Preferred Stock	275		275
	-----	-----	-----
Net Income Applicable to Common Stock	\$ 7,720	\$ (42)	\$ 7,678
	=====	=====	=====
Average Common Shares Outstanding	4,480,415		4,480,415
	-----	-----	-----
Basic Earnings per Share	\$ 1.72		\$ 1.71
Diluted Earnings per Share	\$ 1.68		\$ 1.67

NOTES:

The proforma adjustments represent the following:

Year 1: Issuance of 70,000 options		70,000	
Calculated Compensation Expense:			
Fair Value per share, per Black-Scholes Options Pricing Model	\$	3.61	
Total Compensation Expense to be recorded over Vesting Period (\$000)	\$	252	
Vesting, Year 1		25%	
Year 1 Compensation Expense (\$000)	\$	63 A	
Times Effective tax rate -- 34%		34%	
Income Taxes (34% effective tax rate) (\$000)	\$	(21)B	
		=====	