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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For Quarter Ended March 31, 2017

Commission File Number 1-8858

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 **(Address of principal executive office)**	**03842-1720** **(Zip Code)**

Registrant's telephone number, including area code: (603) 772-0775

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 24, 2017
Common Stock, no par value	**14,108,785 Shares**

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
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CAUTIONARY STATEMENT

This report and the documents incorporated by reference into this report 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, as amended, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included or incorporated by reference into this report, including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations, are forward-looking statements.

These statements include declarations regarding the Company's beliefs and current expectations. In some cases, forward-looking statements can be identified 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 in Item 1A (Risk Factors) and the following:

- the Company's regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters), which could affect the rates the Company is able to charge, the Company's authorized rate of return and the Company's ability to recover costs in its rates;
- fluctuations in the supply of, demand for, and the prices of energy commodities and transmission capacity and the Company's ability to recover energy commodity costs in its rates;
- customers' preferred energy sources;
- severe storms and the Company's ability to recover storm costs in its rates;
- the Company's stranded electric generation and generation-related supply costs and the Company's ability to recover stranded costs in its rates;
- declines in the valuation of capital markets, which could require the Company to make substantial cash contributions to cover its pension obligations, and the Company's ability to recover pension obligation costs in its rates;
- general economic conditions, which could adversely affect (i) the Company's customers and, consequently, the demand for the Company's distribution services, (ii) the availability of credit and liquidity resources and (iii) certain of the Company's counterparties' obligations (including those of its insurers and lenders);
- the Company's ability to obtain debt or equity financing on acceptable terms;
- increases in interest rates, which could increase the Company's interest expense;
- restrictive covenants contained in the terms of the Company's and its subsidiaries' indebtedness, which restrict certain aspects of the Company's business operations;
- variations in weather, which could decrease demand for the Company's distribution services;
- long-term global climate change, which could adversely affect customer demand or cause extreme weather events that could disrupt the Company's electric and natural gas distribution services;

- numerous hazards and operating risks relating to the Company’s electric and natural gas distribution activities, which could result in accidents and other operating risks and costs;
- catastrophic events;
- the Company’s ability to retain its existing customers and attract new customers;
- the Company’s energy brokering customers’ performance under multi-year energy brokering contracts; and
- increased competition.

Many of these risks are beyond the Company’s control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes 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 the Company to predict all of these factors, nor can the Company assess the impact of any such factor on its 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.

PART I. FINANCIAL INFORMATION

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A)

OVERVIEW

Unitil Corporation (Unitil or the Company) is a public utility holding company headquartered in Hampton, New Hampshire. Unitil is subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005.

Unitil’s principal business is the local distribution of electricity and natural gas throughout its service territory in the states of New Hampshire, Massachusetts and Maine. Unitil is the parent company of three wholly-owned distribution utilities:

i) Unitil Energy Systems, Inc. (Unitil Energy), which provides electric service in the southeastern seacoast and state capital regions of New Hampshire, including the capital city of Concord;

ii) Fitchburg Gas and Electric Light Company (Fitchburg), which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts; and

iii) Northern Utilities, Inc. (Northern Utilities), which provides natural gas service in southeastern New Hampshire and portions of southern and central Maine, including the city of Portland, which is the largest city in northern New England.

Unitil Energy, Fitchburg and Northern Utilities are collectively referred to as the “distribution utilities.” Together, the distribution utilities serve approximately 104,300 electric customers and 79,900 natural gas customers in their service territory.

In addition, Unitil is the parent company of Granite State Gas Transmission, Inc. (Granite State), an interstate natural gas transmission pipeline company, operating 86 miles of underground gas transmission pipeline primarily located in Maine and New Hampshire. Granite State provides Northern Utilities with interconnection to major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north.

Unitil had an investment in Net Utility Plant of $890.9 million at March 31, 2017. Unitil's total operating revenue includes revenue to recover the approved cost of purchased electricity and natural gas in rates on a fully reconciling basis. As a result of this reconciling rate structure, the Company's earnings are not directly affected by changes in the cost of purchased electricity and natural gas. Earnings from Unitil's utility operations are primarily derived from the return on investment in the utility assets of the three distribution utilities and Granite State.

Unitil also conducts non-regulated operations principally through Usource Inc. and Usource L.L.C. (collectively, Usource), which is wholly-owned by Unitil Resources Inc., a wholly-owned subsidiary of Unitil. Usource provides energy brokering and advisory services to large commercial and industrial customers primarily in the northeastern United States. The Company's other subsidiaries include Unitil Service Corp., which provides, at cost, a variety of administrative and professional services to Unitil's affiliated companies, Unitil Realty Corp. (Unitil Realty), which owns and manages Unitil's corporate office building and property located in Hampton, New Hampshire and Unitil Power Corp., which formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. Unitil's consolidated net income includes the earnings of the holding company and these subsidiaries.

RATES AND REGULATION

Regulation

Unitil is subject to comprehensive regulation by federal and state regulatory authorities. Unitil and its subsidiaries are subject to regulation as a holding company system by the FERC under the Energy Policy Act of 2005 with regard to certain bookkeeping, accounting and reporting requirements. Unitil's utility operations related to wholesale and interstate energy business activities are also regulated by the FERC. Unitil's distribution utilities are subject to regulation by the applicable state public utility commissions, with regard to their rates, issuance of securities and other accounting and operational matters: Unitil Energy is subject to regulation by the New Hampshire Public Utilities Commission (NHPUC); Fitchburg is subject to regulation by the Massachusetts Department of Public Utilities (MDPU); and Northern Utilities is regulated by the NHPUC and the Maine Public Utilities Commission (MPUC). Granite State, Unitil's interstate natural gas transmission pipeline, is subject to regulation by the FERC with regard to its rates and operations. Because Unitil's primary operations are subject to rate regulation, the regulatory treatment of various matters could significantly affect the Company's operations and financial position.

Unitil's distribution utilities deliver electricity and/or natural gas to all customers in their service territory, at rates established under cost of service regulation. Under this regulatory structure, Unitil's distribution utilities recover the cost of providing distribution service to their customers based on a historical test year, and earn a return on their capital investment in utility assets. In addition, the Company's distribution utilities and its natural gas transmission pipeline company may also recover certain base rate costs, including capital project spending and enhanced reliability and vegetation management programs, through annual step adjustments and cost tracker rate mechanisms.

Fitchburg is subject to revenue decoupling. Revenue decoupling is the term given to the elimination of the dependency of a utility's distribution revenue on the volume of electricity or natural gas sales. The difference between distribution revenue amounts billed to customers and the targeted revenue decoupling amounts is recognized as an increase or a decrease in Accrued

Revenue which forms the basis for resetting rates for future cash recoveries from, or credits to, customers. These revenue decoupling targets may be adjusted as a result of rate cases and other authorized adjustments that the Company files with the MDPU. The Company estimates that revenue decoupling applies to approximately 27% and 11% of Unitil's total annual electric and natural gas sales volumes, respectively.

Rate Case Activity

Unitil Energy – Base Rates – On April 29, 2016 Unitil Energy filed for a $6.3 million or 3.6 percent increase in distribution base rates with the NHPUC. The Company also requested a long-term rate plan for the annual recovery in future years of the costs associated with utility plant additions. The Company was initially provided a temporary increase of $2.4 million effective July 1, 2016, subject to reconciliation with the permanent rates when approved by the NHPUC. On April 20, 2017 the NHPUC issued its final order approving a settlement between the Company, Commission Staff and the Office of Consumer Advocate which provides for a permanent increase of $4.1 million, and a three year rate plan with the first rate step adjustment in May 2017 of $0.9 million, followed by rate step adjustments in May of 2018 and 2019 for 80% of capital expenditures.

Fitchburg – Base Rates – Electric – On April 29, 2016 the MDPU issued an order approving a $2.1 million increase in Fitchburg's electric base revenue decoupling target, effective May 1, 2016. The MDPU also approved a capital cost recovery mechanism, providing for annual adjustments to target revenues to account for capital spending. In 2016, Fitchburg made its first capital cost adjustment filing documenting its capital investments for calendar year 2015 which provided approximately $0.2 million to $0.3 million of annual revenue. On December 27, 2016 the MDPU approved this filing subject to further investigation and reconciliation. On a prospective basis, Fitchburg expects annual revenue adjustments of approximately $0.3 million.

Fitchburg – Base Rates – Gas – On April 29, 2016, the MDPU issued an order approving a $1.6 million increase in Fitchburg's gas base revenue decoupling target, effective May 1, 2016.

Fitchburg – Gas Operations – On October 31, 2016, Fitchburg submitted its annual filing under its gas system enhancement plan program to recover the estimated cost to be incurred in 2017. The filing seeks approval to collect an additional $0.9 million, over and above the $0.9 million already reflected in rates, to recover the cumulative cost of investments in the program through the end of 2017. In addition, the Company seeks a waiver of the 1.5 percent cap on annual changes in the revenue requirement eligible for recovery. The MDPU's decision on this request is pending and is expected by the end of April, 2017, for rates effective May 1, 2017. On a prospective basis, Fitchburg expects annual revenue adjustments of approximately $0.6 million.

Northern Utilities – Base Rates – Maine – On March 31, 2017, Northern Utilities issued a 60 day Notice of Intent to file a rate case with the MPUC to increase gas base distribution rates by approximately $5.5 million.

Northern Utilities – Targeted Infrastructure Replacement Adjustment – The settlement in Northern Utilities' Maine division's last rate case allowed the Company to implement a Targeted Infrastructure Replacement Adjustment (TIRA) rate mechanism to adjust base distribution rates annually to recover the revenue requirements associated with targeted investments in gas distribution system infrastructure replacement and upgrade projects. The TIRA has an initial term of four years and covers targeted capital expenditures in 2013 through 2016. The 2017 TIRA, for 2016 expenditures, approved by the MPUC on April 25, 2017, provides for an annual increase in distribution base revenue of $1.1 million, effective May 1, 2017.

Northern Utilities – Targeted Area Build-out Program – Maine – On December 22, 2015 the MPUC approved a Targeted Area Build-out (TAB) program and associated rate surcharge mechanism. This program is designed to allow the economic extension of natural gas mains to new, targeted service areas in Maine and is being initially piloted in the City of Saco. It allows customers in the targeted area the ability to pay a rate surcharge, instead of a large upfront payment or capital contribution to connect to the natural gas delivery system. The City of Saco TAB program, being built out over a period of three years, has the potential to add 1,000 new customers and approximately $1 million in annual distribution revenue in the Saco area. On February 28, 2017, the Company filed for approval of its second TAB program, for the Town of Sanford, ME. The second TAB program has the potential to add 2,000 new customers and approximately $2 million in annual distribution revenue in the Sanford area. This matter remains pending.

Northern Utilities – Base Rates – New Hampshire – On April 24, 2017, Northern Utilities issued a 60 day Notice of Intent to file a rate case with the NHPUC to increase gas base distribution rates by approximately $5.0 million.

Northern Utilities – Pipeline Refund – On February 19, 2015, the FERC issued Opinion No. 524-A, the final order in Portland Natural Gas Transmission's (PNGTS) Section 4 rate case, requiring PNGTS to issue refunds to shippers. Northern Utilities received a pipeline refund of $22.0 million on April 15, 2015. As a gas supply-related refund, the entire amount refunded will be credited to Northern Utilities' customers and marketers over three years as directed by the NHPUC and MPUCMPUC. The Company has recorded current and noncurrent Regulatory Liabilities related to these refunds of $3.6 million and $0.7 million, respectively, on its Consolidated Balance Sheets as of March 31, 2017.

Granite State – Base Rates – Granite State has in place a FERC-approved second amended settlement agreement under which it is permitted to file annually, each June, for a rate adjustment to recover the revenue requirements associated with specified capital investments in gas transmission projects up to a specific cost cap. On June 24, 2016 Granite State filed for an annual revenue and rate increase under this provision of $0.3 million, effective August 1, 2016. This filing was approved by the FERC on July 13, 2016. In the second quarter of 2017, the Company expects to file for an annual rate and revenue increase between $0.3 million and $0.4 million, effective August 1, 2017.

RESULTS OF OPERATIONS

The following section of MD&A compares the results of operations for each of the two fiscal periods ended March 31, 2017 and March 31, 2016 and should be read in conjunction with the accompanying unaudited Consolidated Financial Statements and the accompanying Notes to unaudited Consolidated Financial Statements included in Part I, Item 1 of this report, which are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Company's results of operations reflect the seasonal nature of the natural gas business. Annual gas revenues are substantially realized during the heating season as a result of higher sales of natural gas due to cold weather. Accordingly, the results of operations are historically most favorable in the first and fourth quarters. Fluctuations in seasonal weather conditions may have a significant effect on the result of operations. Sales of electricity are generally less sensitive to weather than natural gas sales, but may also be affected by the weather conditions in both the winter and summer seasons. Also, as a result of recent rate cases, the Company's natural gas sales margins are derived from a higher percentage of fixed billing components, including customer charges. Therefore, natural gas revenues and margin will be less affected by the seasonal nature of the natural gas business. In addition, as previously discussed, approximately 27% and 11% of the Company's total annual electric and natural gas sales volumes, respectively, are decoupled and changes in sales to existing customers do not affect sales margin.

Earnings Overview

The Company's Net Income was $12.4 million, or $0.88 per share, for the first quarter of 2017, an increase of $1.5 million, or $0.10 per share, compared to the first quarter of 2016. The Company's earnings in the first quarter of 2017 were driven by higher natural gas and electric sales margins, reflecting: higher distribution rates, colder winter weather and customer growth, compared to the first quarter of 2016.

Natural gas sales margin was $38.0 million in the three months ended March 31, 2017, resulting in an increase of $2.1 million compared to the same period in 2016. Gas sales margin in the first quarter of 2017 was positively affected by: higher natural gas distribution rates, the positive impact of colder winter weather on sales and customer growth. Total therm sales of natural gas increased 3.6% in the three months ended March 31, 2017 compared to the same period in 2016. Based on weather data collected in the Company's natural gas service areas, there were 5.4% more HDD in the first quarter of 2017 compared to the same period in 2016.

Electric sales margin was $22.0 million in the three months ended March 31, 2017, resulting in an increase of $1.9 million compared to the same period in 2016. Electric sales margin in the first quarter of 2017 was positively affected by higher electric distribution rates and customer growth.

Operation and Maintenance (O&M) expenses increased $0.2 million in the three months ended March 31, 2017 compared to the same period in 2016. The change in O&M expenses reflects higher compensation and benefit costs of $0.4 million, partially offset by lower utility operating costs of $0.2 million.

Depreciation and Amortization expense increased $0.7 million in the three months ended March 31, 2017 compared to the same period in 2016, reflecting higher depreciation of $0.8 million on normal utility plant assets in service, partially offset by lower amortization of $0.1 million.

Taxes Other Than Income Taxes increased $0.5 million in the three months ended March 31, 2017 compared to the same period in 2016, primarily reflecting higher local property taxes on higher levels of utility plant assets in service.

Interest Expense, net increased $0.5 million in the three months ended March 31, 2017 compared to the same period in 2016, reflecting lower net interest income on regulatory assets and higher levels of short-term debt.

Usource, the Company's non-regulated energy brokering business, recorded revenues of $1.7 million in the three months ended March 31, 2017, an increase of $0.1 million compared to the same period in 2016. Usource's revenues are primarily derived from fees billed to suppliers as customers take delivery of energy from those suppliers under term contracts brokered by Usource.

At its January 2017 and April 2017 meetings, the Unitil Corporation Board of Directors declared quarterly dividends on the Company's common stock of $0.36 per share. These quarterly dividends result in a current effective annual dividend rate of $1.44 per share, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

A more detailed discussion of the Company's results of operations for the three months ended March 31, 2017 is presented below.

Gas Sales, Revenues and Margin

Therm Sales – Unitil's total therm sales of natural gas increased 3.6% in the three months ended March 31, 2017 compared to the same period in 2016, reflecting increases of 6.1% and 2.9% in sales to Residential and Commercial and Industrial (C&I) customers, respectively. The increase in gas therm sales in the Company's service areas was driven by colder winter weather in the first quarter of 2017 compared to 2016 and customer growth. Based on weather data collected in the Company's natural gas service areas, there were 5.4% more HDD in the first quarter of 2017 compared to the same period in 2016. As of March 31, 2017, the number of total natural gas customers served has increased by 1,025 in the last twelve months. As previously discussed, sales margin derived from decoupled unit sales (representing approximately 11% of total annual therm sales volume) is not sensitive to changes in gas therm sales.

The following table details total firm therm sales for the three months ended March 31, 2017 and 2016, by major customer class:

Therm Sales (millions)

	Three Months Ended March 31,			
	2017	**2016**	**Change**	**% Change**
Residential	**21.0**	19.8	1.2	6.1%
Commercial / Industrial	**64.9**	63.1	1.8	2.9%
Total	**85.9**	82.9	3.0	3.6%

Gas Operating Revenues and Sales Margin – The following table details total Gas Operating Revenues and Sales Margin for the three months ended March 31, 2017 and 2016:

Gas Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2017	**2016**	**$ Change**	**% Change**
Gas Operating Revenues:				
Residential	**$31.1**	$29.4	$ 1.7	5.8%
Commercial / Industrial	**43.7**	43.7	—	—
Total Gas Operating Revenues	**$74.8**	$73.1	$ 1.7	2.3%
Cost of Gas Sales	**$36.8**	$37.2	$ (0.4)	(1.1%)
Gas Sales Margin	**$38.0**	$35.9	$ 2.1	5.8%

The Company analyzes operating results using Gas Sales Margin, a non-GAAP measure. Gas Sales Margin is calculated as Total Gas Operating Revenue less Cost of Gas Sales. The Company believes Gas Sales Margin is an important measure to analyze profitability because the approved cost of sales are tracked and reconciled costs that are passed through directly to the customer, resulting in an equal and offsetting amount reflected in Total Gas Operating Revenue. Sales margin can be reconciled to Operating Income, a GAAP measure, by including Operation and Maintenance, Depreciation and Amortization and Taxes Other Than Income Taxes for each segment in the analysis.

Natural gas sales margin was $38.0 million in the three months ended March 31, 2017, resulting in an increase of $2.1 million compared to the same period in 2016. Gas sales margin in the first quarter of 2017 was positively affected: by $1.1 million in higher natural gas distribution rates, the positive impact of colder winter weather on sales of $0.6 million and customer growth of $0.4 million.

The increase in Total Gas Operating Revenues of $1.7 million in the first quarter of 2017 reflects higher natural gas sales volumes and lower cost of gas sales, which are tracked and reconciled costs that are passed through directly to customers.

Electric Sales, Revenues and Margin

Kilowatt-hour Sales – In the first quarter of 2017, Unitil's total electric kWh sales decreased 1.2% compared to the first quarter of 2016. Sales to Residential customers increased 0.5% in the first quarter of 2017 compared to the same period in 2016, reflecting customer growth. Sales to C&I customers decreased 2.4% in the first quarter of 2017 compared to the same period in 2016, reflecting lower usage by industrial customers for production purposes, partially offset by customer growth. As of March 31, 2017, the number of total electric customers served has increased by 1,032 in the last twelve months. As previously discussed, sales margins derived from decoupled unit sales (representing approximately 27% of total annual kWh sales volume) are not sensitive to changes in electric kWh sales.

The following table details total kWh sales for the three months ended March 31, 2017 and 2016 by major customer class:

kWh Sales (millions)

	Three Months Ended March 31,			
	2017	**2016**	**Change**	**% Change**
Residential	**176.2**	175.4	0.8	0.5%
Commercial / Industrial	**236.2**	241.9	(5.7)	(2.4%)
Total	**412.4**	417.3	(4.9)	(1.2%)

Electric Operating Revenues and Sales Margin – The following table details total Electric Operating Revenues and Sales Margin for the three months ended March 31, 2017 and 2016:

Electric Operating Revenues and Sales Margin (millions)

	Three Months Ended March 31,			
	2017	**2016**	**$ Change**	**% Change**
Electric Operating Revenues:				
Residential	**$28.9**	$30.1	$ (1.2)	(4.0%)
Commercial / Industrial	**20.6**	21.0	(0.4)	(1.9%)
Total Electric Operating Revenues	**$49.5**	$51.1	$ (1.6)	(3.1%)
Total Cost of Electric Sales	**$27.5**	$31.0	$ (3.5)	(11.3%)
Electric Sales Margin	**$22.0**	$20.1	$ 1.9	9.5%

The Company analyzes operating results using Electric Sales Margin, a non-GAAP measure. Electric Sales Margin is calculated as Total Electric Operating Revenues less Cost of Electric Sales. The Company believes Electric Sales Margin is an important measure to analyze profitability because the approved cost of sales are tracked and reconciled costs that are passed through directly to the customer resulting in an equal and offsetting amount reflected in Total Electric Operating Revenues. Sales margin can be reconciled to Operating Income, a GAAP measure, by including Operation and Maintenance, Depreciation and Amortization and Taxes Other Than Income Taxes for each segment in the analysis.

Electric sales margin was $22.0 million in the three months ended March 31, 2017, resulting in an increase of $1.9 million compared to the same period in 2016. Electric sales margin in the first quarter of 2017 was positively affected by higher electric distribution rates of $1.6 million and customer growth of $0.3 million.

The decrease in Total Electric Operating Revenues of $1.6 million in the first quarter of 2017 reflects lower electric sales volumes and lower cost of electric sales, which are tracked and reconciled costs that are passed through directly to customers.

Operating Revenue – Other

The following table details total Other Operating Revenue for the three months ended March 31, 2017 and 2016:

Other Operating Revenue (Millions)

	Three Months Ended March 31,			
	2017	**2016**	**$ Change**	**% Change**
Other	**$1.7**	$1.6	$ 0.1	6.3%
Total Other Operating Revenue	**$1.7**	$1.6	$ 0.1	6.3%

Total Other Operating Revenue in the first quarter of 2017, which is comprised of revenues from the Company's non-regulated energy brokering business, Usource, increased $0.1 million, or 6.3%, compared to the first quarter of 2016. Usource's revenues are primarily derived from fees and charges billed to suppliers as customers take delivery of energy from those suppliers under term contracts brokered by Usource.

Operating Expenses

Cost of Gas Sales – Cost of Gas Sales includes the cost of natural gas purchased and manufactured to supply the Company's total gas supply requirements and spending on energy efficiency programs. Cost of Gas Sales decreased $0.4 million, or 1.1%, in the three months ended March 31, 2017 compared to the same period in 2016. This decrease reflects lower wholesale natural gas prices and an increase in the amount of natural gas purchased by customers directly from third-party suppliers, partially offset by higher sales of natural gas. The Company reconciles and recovers the approved Cost of Gas Sales in its rates at cost on a pass through basis and therefore changes in approved expenses do not affect earnings.

Cost of Electric Sales – Cost of Electric Sales includes the cost of electric supply as well as other energy supply related restructuring costs, including power supply buyout costs, and spending on energy efficiency programs. Cost of Electric Sales decreased $3.5 million, or 11.3%, in the three months ended March 31, 2017 compared to the same period in 2016. This decrease reflects lower sales of electricity and lower wholesale electricity prices, partially offset by a decrease in the amount of electricity purchased by customers directly from third-party suppliers. The Company reconciles and recovers the approved Cost of Electric Sales in its rates at cost and therefore changes in approved expenses do not affect earnings.

Operation and Maintenance – O&M expense includes electric and gas utility operating costs, and the operating costs of the Company's other business activities. O&M expenses increased $0.2 million, or 1.1%, in the three months ended March 31, 2017 compared to the same period in 2016. The change in O&M expenses reflects higher compensation and benefit costs of $0.4 million, partially offset by lower utility operating costs of $0.2 million.

Depreciation and Amortization – Depreciation and Amortization expense increased $0.7 million, or 5.9%, in the three months ended March 31, 2017 compared to the same period in 2016, reflecting higher depreciation of $0.8 million on normal utility plant assets in service, partially offset by lower amortization of $0.1 million.

Taxes Other Than Income Taxes – Taxes Other Than Income Taxes increased $0.5 million, or 10.0%, in the three months ended March 31, 2017 compared to the same period in 2016, primarily reflecting higher local property taxes on higher levels of utility plant assets in service.

Other Expense, net – Other Expense, net in the three month period ended March 31, 2017 was essentially on par with the same period in 2016.

Income Taxes – Federal and State Income Taxes increased by $0.7 million for the three months ended March 31, 2017 compared to the same period in 2016, reflecting higher pre-tax earnings in the current period.

Interest Expense, net – Interest expense is presented in the financial statements net of interest income. Interest expense is mainly comprised of interest on long-term debt and short-term borrowings. In addition, certain reconciling rate mechanisms used by the Company's distribution operating utilities give rise to regulatory assets and regulatory liabilities on which interest is accrued.

Unitil's utility subsidiaries operate a number of reconciling rate mechanisms to recover specifically identified costs on a pass-through basis. These reconciling rate mechanisms track costs and revenue on a monthly basis. In any given month, this monthly tracking and reconciling process will produce either an under-collected or an over-collected balance of costs. In accordance with the distribution utilities' rate tariffs, interest is accrued on these balances and will produce either interest income or interest expense. Consistent with regulatory precedent, interest income is recorded on an under-collection of costs which creates a regulatory asset to be recovered in future periods when rates are reset. Interest expense is recorded on an over-collection of costs, which creates a regulatory liability to be refunded in future periods when rates are reset.

Interest Expense, net (millions)	Three Months Ended March 31, 2017	2016	Change
Interest Expense			
Long-term Debt	**$ 5.3**	$ 5.4	$ (0.1)
Short-term Debt	**0.6**	0.3	0.3
Regulatory Liabilities	**0.5**	0.1	0.4
Subtotal Interest Expense	**6.4**	5.8	0.6
Interest (Income)			
Regulatory Assets	**(0.2)**	(0.2)	—
AFUDC and Other	**(0.2)**	(0.1)	(0.1)
Subtotal Interest (Income)	**(0.4)**	(0.3)	(0.1)
Total Interest Expense, net	**$ 6.0**	$ 5.5	$ 0.5

Interest Expense, net increased $0.5 million in the three months ended March 31, 2017 compared to the same period in 2016, reflecting lower net interest income on net regulatory assets/liabilities and higher levels of short-term debt.

CAPITAL REQUIREMENTS

Sources of Capital

Unitil requires capital to fund utility plant additions, working capital and other utility expenditures recovered in subsequent periods through regulated rates. The capital necessary to meet these requirements is derived primarily from internally-generated funds, which consist of cash flows from operating activities. The Company initially supplements internally-generated funds through short-term bank borrowings, as needed, under its unsecured revolving Credit Facility. Periodically, the Company replaces portions of its short-term debt with long-term financings more closely matched to the long-term nature of its utility assets. Additionally, from time to time, the Company has accessed the public capital markets through public offerings of equity securities. The Company's utility operations are seasonal in nature and are therefore subject to seasonal fluctuations in cash flows. The amount, type and timing of any future financing will vary from year to year based on capital needs and maturity or redemptions of securities.

The Company and its subsidiaries are individually and collectively members of the Unitil Cash Pool (the "Cash Pool"). The Cash Pool is the financing vehicle for day-to-day cash borrowing and investing. The Cash Pool allows for an efficient exchange of cash among the Company and its subsidiaries. The interest rates charged to the subsidiaries for borrowing from the Cash Pool are based on actual interest costs from lenders under the Company's revolving Credit Facility. At March 31, 2017, March 31, 2016 and December 31, 2016, the Company and all of its subsidiaries were in compliance with the regulatory requirements to participate in the Cash Pool.

On October 4, 2013, the Company entered into an Amended and Restated Credit Agreement (as further amended, restated, amended and restated, modified or supplemented from time to time, the "Credit Facility"). The Credit Facility terminates October 4, 2020 and provides for a borrowing limit of $120 million which includes a $25 million sublimit for the issuance of standby letters of credit. The Credit Facility provides Unitil with the ability to elect that borrowings under the Credit Facility bear interest under several options, including at a daily fluctuating rate of interest per annum equal to one-month London Interbank Offered Rate (LIBOR) plus 1.25%. Provided there is no event of default under the Credit Facility, the Company may on a one-time basis request an increase in the aggregate commitments under the Credit Facility by an aggregate additional amount of up to $30 million.

The Company utilizes the Credit Facility for cash management purposes related to its short-term operating activities. Total gross borrowings were $55.7 million for the three months ended March 31, 2017. Total gross repayments were $61.0 million for the three months ended March 31, 2017. The following table details the borrowing limits, amounts outstanding and amounts available under the revolving Credit Facility as of March 31, 2017, March 31, 2016 and December 31, 2016:

	Revolving Credit Facility ($ millions)		
	March 31,		December 31,
	2017	2016	2016
Limit	**$ 120.0**	$ 120.0	$ 120.0
Short-Term Borrowings Outstanding	**$ 76.6**	$ 47.9	$ 81.9
Letters of Credit Outstanding	**$ 1.1**	$ —	$ 1.1
Available	**$ 42.3**	$ 72.1	$ 37.0

The Credit Facility contains customary terms and conditions for credit facilities of this type, including affirmative and negative covenants. There are restrictions on, among other things, Unitil's and its subsidiaries' ability to permit liens or incur indebtedness, and restrictions on Unitil's ability to merge or consolidate with another entity or change its line of business. The affirmative and negative covenants under the Credit Facility shall apply to Unitil until the Credit Facility terminates and all amounts borrowed under the Credit Facility are paid in full (or with respect to letters of credit, they are cash collateralized). The only financial covenant in the Credit Facility provides that Unitil's Funded Debt to Capitalization (as each term is defined in the Credit Facility) cannot exceed 65%, tested on a quarterly basis. At March 31, 2017, March 31, 2016 and December 31, 2016, the Company was in compliance with the covenants contained in the Credit Facility in effect on that date. (See also "Credit Arrangements" in Note 4.)

Unitil Corporation and its utility subsidiaries, Fitchburg, Unitil Energy, Northern Utilities, and Granite State are currently rated "BBB+" by Standard & Poor's Ratings Services.

On April 21, 2017, Northern Utilities, Fitchburg and Granite State, priced $90 million collectively of Senior Unsecured Notes (Notes) through a private placement marketing process to institutional investors. (See also "Subsequent Events" in Note 1.)

In April 2014, Unitil Service Corp. entered into a financing arrangement, structured as a capital lease obligation, for various information systems and technology equipment. Final funding under this capital lease occurred on October 30, 2015, resulting in total funding of $13.4 million. The capital lease matures on September 30, 2020. As of March 31, 2017, there are $2.6 million of current and $7.1 million of noncurrent obligations under this capital lease on the Company's Consolidated Balance Sheets.

The continued availability of various methods of financing, as well as the choice of a specific form of security for such financing, will depend on many factors, including, but not limited to: security market conditions; general economic climate; regulatory approvals; the ability to meet covenant issuance restrictions; the level of earnings, cash flows and financial position; and the competitive pricing offered by financing sources.

The Company provides limited guarantees on certain energy and natural gas storage management contracts entered into by the distribution utilities. The Company's policy is to limit the duration of these guarantees. As of March 31, 2017, there were approximately $23.9 million of guarantees outstanding and the longest term guarantee extends through August 2017.

Northern Utilities enters into asset management agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was $3.8 million, $6.7 million and $9.9 million of natural gas storage inventory at March 31, 2017, March 31, 2016 and December 31, 2016, respectively, related to these asset management agreements. The amount of natural gas inventory released in March 2017 and payable in April 2017 is $2.0 million and is recorded in Accounts Payable at March 31, 2017. The amount of natural gas inventory released in March 2016 and payable in April 2016 was $0.4 million and was recorded in Accounts Payable at March 31, 2016. The amount of natural gas inventory released in December 2016 and payable in January 2017 was $2.1 million and was recorded in Accounts Payable at December 31, 2016.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of March 31, 2017, the principal amount outstanding for the 8% Unitil Realty notes was $0.2 million, and the principal amount outstanding for the 7.15% Granite State notes was $6.7 million.

Off-Balance Sheet Arrangements

The Company and its subsidiaries do not currently use, and are not dependent on the use of, off-balance sheet financing arrangements such as securitization of receivables or obtaining access to assets or cash through special purpose entities or variable interest entities. Unitil's subsidiaries conduct a portion of their operations in leased facilities and also lease some of their vehicles, machinery and office equipment under both capital and operating lease arrangements. Additionally, as of March 31, 2017, there were approximately $23.9 million of guarantees on certain energy and natural gas storage management contracts entered into by the distribution utilities outstanding and the longest term guarantee extends through August 2017. See Note 4 (Debt and Financing Arrangements) to the accompanying Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In making those estimates and assumptions, the Company is sometimes required to make difficult, subjective and/or complex judgments about the impact of matters that are inherently uncertain and for which different estimates that could reasonably have been used could have resulted in material differences in its financial statements. If actual results were to differ significantly from those estimates, assumptions and judgment, the financial position of the Company could be materially affected and the results of operations of the Company could be materially different than reported. For a complete discussion of the Company's significant accounting policies, refer to the Note 1 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on February 2, 2017.

LABOR RELATIONS

As of March 31, 2017, the Company and its subsidiaries had 491 employees. The Company considers its relationship with employees to be good and has not experienced any major labor disruptions.

As of March 31, 2017, a total of 157 employees of certain of the Company's subsidiaries were represented by labor unions. The following table details by subsidiary the employees covered by a collective bargaining agreement (CBA) as of March 31, 2017:

	Employees Covered	CBA Expiration
Fitchburg	45	05/31/2019
Northern Utilities NH Division	34	06/05/2020
Northern Utilities ME Division/Granite State	36	03/31/2021
Unitil Energy	37	05/31/2018
Unitil Service	5	05/31/2018

The CBAs provide discrete salary adjustments, established work practices and uniform benefit packages. The Company expects to negotiate new agreements prior to their expiration dates.

INTEREST RATE RISK

As discussed above, Unitil meets its external financing needs by issuing short-term and long-term debt. The majority of debt outstanding represents long-term notes bearing fixed rates of interest. Changes in market interest rates do not affect interest expense resulting from these outstanding long-term debt securities. However, the Company periodically repays its short-term debt borrowings through the issuance of new long-term debt securities. Changes in market interest rates may affect the interest rate and corresponding interest expense on any new issuances of long-term debt securities. In addition, short-term debt borrowings bear a variable rate of interest. As a result, changes in short-term interest rates will increase or decrease interest expense in future periods. For example, if the average amount of short-term debt outstanding was $25 million for the period of one year, a change in interest rates of 1% would result in a change in annual interest expense of approximately $250,000. The average interest rates on the Company's short-term borrowings and intercompany money pool transactions for the three months ended March 31, 2017 and March 31, 2016 were 2.1% and 1.7%, respectively. The average interest rate on the Company's short-term borrowings for the twelve months ended December 31, 2016 was 1.8%.

COMMODITY PRICE RISK

Although Unitil's three distribution utilities are subject to commodity price risk as part of their traditional operations, the current regulatory framework within which these companies operate allows for full collection of electric power and natural gas supply costs in rates on a pass-through basis. Consequently, there is limited commodity price risk after consideration of the related rate-making.

REGULATORY MATTERS

Please refer to Note 6 to the unaudited Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Regulatory Matters.

ENVIRONMENTAL MATTERS

Please refer to Note 7 to the unaudited Consolidated Financial Statements in Part I, Item 1 of this report for a discussion of Environmental Matters.

Item 1. Financial Statements

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF EARNINGS
(*Millions, except per share data*)
(UNAUDITED)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Operating Revenues		
Gas	**$ 74.8**	$ 73.1
Electric	**49.5**	51.1
Other	**1.7**	1.6
Total Operating Revenues	**126.0**	125.8
Operating Expenses		
Cost of Gas Sales	**36.8**	37.2
Cost of Electric Sales	**27.5**	31.0
Operation and Maintenance	**17.6**	17.4
Depreciation and Amortization	**12.5**	11.8
Taxes Other than Income Taxes	**5.5**	5.0
Total Operating Expenses	**99.9**	102.4
Operating Income	**26.1**	23.4
Interest Expense, net	**6.0**	5.5
Other Expense, net	**—**	—
Income Before Income Taxes	**20.1**	17.9
Income Taxes	**7.7**	7.0
Net Income	**$ 12.4**	$ 10.9
Net Income Per Common Share (Basic and Diluted)	**$ 0.88**	$ 0.78
Weighted Average Common Shares Outstanding – (Basic and Diluted)	**14.0**	14.0
Dividends Declared Per Share of Common Stock	**$ 0.360**	$ 0.355

(The accompanying notes are an integral part of these consolidated unaudited financial statements.)

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Millions)
(UNAUDITED)

	March 31, 2017	March 31, 2016	December 31, 2016
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	**$ 8.8**	$ 8.1	$ 5.8
Accounts Receivable, net	**57.6**	58.0	52.9
Accrued Revenue	**41.3**	42.1	49.5
Exchange Gas Receivable	**2.1**	6.8	8.3
Gas Inventory	**0.3**	0.4	0.6
Prepayments and Other	**16.0**	12.7	14.5
Total Current Assets	**126.1**	128.1	131.6
Utility Plant:			
Gas	**642.0**	586.8	629.5
Electric	**440.9**	409.9	437.9
Common	**35.9**	35.8	35.8
Construction Work in Progress	**68.6**	56.9	70.2
Total Utility Plant	**1,187.4**	1,089.4	1,173.4
Less: Accumulated Depreciation	**296.5**	276.3	290.0
Net Utility Plant	**890.9**	813.1	883.4
Other Noncurrent Assets:			
Regulatory Assets	**103.5**	98.2	104.1
Other Assets	**13.9**	13.5	9.1
Total Other Noncurrent Assets	**117.4**	111.7	113.2
TOTAL ASSETS	**$1,134.4**	$1,052.9	$ 1,128.2

(The accompanying notes are an integral part of these consolidated unaudited financial statements.)

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UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Millions, except number of shares)
(UNAUDITED)

	March 31, 2017	March 31, 2016	December 31, 2016
LIABILITIES AND CAPITALIZATION:			
Current Liabilities:			
Accounts Payable	**$ 28.1**	$ 27.0	$ 32.4
Short-Term Debt	**76.6**	47.9	81.9
Long-Term Debt, Current Portion	**30.0**	17.1	16.8
Regulatory Liabilities	**12.8**	18.8	10.4
Energy Supply Obligations	**9.0**	13.9	12.0
Environmental Obligations	**0.5**	0.7	0.4
Capital Lease Obligations	**3.0**	3.1	3.0
Interest Payable	**6.0**	6.1	3.9
Other Current Liabilities	**11.0**	11.4	16.1
Total Current Liabilities	**177.0**	146.0	176.9
Noncurrent Liabilities:			
Retirement Benefit Obligations	**151.5**	126.8	149.0
Deferred Income Taxes, net	**106.0**	93.1	97.9
Cost of Removal Obligations	**79.7**	72.3	77.0
Regulatory Liabilities	**0.7**	3.3	2.6
Capital Lease Obligations	**7.5**	10.4	8.3
Environmental Obligations	**1.8**	2.0	1.5
Other Noncurrent Liabilities	**4.9**	3.5	5.1
Total Noncurrent Liabilities	**352.1**	311.4	341.4
Capitalization:			
Long-Term Debt, Less Current Portion	**303.5**	305.4	316.8
Stockholders' Equity:			
Common Equity (Authorized: 25,000,000 and Outstanding: 14,107,741, 14,043,280 and 14,065,230 Shares)	**242.1**	238.9	240.7
Retained Earnings	**59.5**	51.0	52.2
Total Common Stock Equity	**301.6**	289.9	292.9
Preferred Stock	**0.2**	0.2	0.2
Total Stockholders' Equity	**301.8**	290.1	293.1
Total Capitalization	**605.3**	595.5	609.9
Commitments and Contingencies (Notes 6 & 7)			
TOTAL LIABILITIES AND CAPITALIZATION	**$1,134.4**	$1,052.9	$ 1,128.2

(The accompanying notes are an integral part of these consolidated unaudited financial statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(UNAUDITED)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Operating Activities:		
Net Income	**$ 12.4**	$ 10.9
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation and Amortization	**12.5**	11.8
Deferred Tax Provision	**7.9**	5.7
Changes in Working Capital Items:		
Accounts Receivable	**(4.7)**	(8.2)
Accrued Revenue	**8.2**	(3.7)
Exchange Gas Receivable	**6.2**	4.3
Regulatory Liabilities	**2.4**	3.2
Accounts Payable	**(4.3)**	(6.3)
Other Changes in Working Capital Items	**(1.2)**	2.2
Deferred Regulatory and Other Charges	**(7.7)**	(8.4)
Other, net	**5.8**	2.7
Cash Provided by Operating Activities	**37.5**	14.2
Investing Activities:		
Property, Plant and Equipment Additions	**(17.5)**	(11.3)
Cash (Used in) Investing Activities	**(17.5)**	(11.3)
Financing Activities:		
(Repayment of) Proceeds from Short-Term Debt, net	**(5.3)**	5.9
Repayment of Long-Term Debt	**(0.2)**	(0.2)
Decrease in Capital Lease Obligations	**(0.8)**	(0.6)
Net Decrease in Exchange Gas Financing	**(5.9)**	(3.9)
Dividends Paid	**(5.1)**	(5.0)
Proceeds from Issuance of Common Stock	**0.3**	0.3
Cash (Used in) Financing Activities	**(17.0)**	(3.5)
Net Increase / (Decrease) in Cash and Cash Equivalents	**3.0**	(0.6)
Cash and Cash Equivalents at Beginning of Period	**5.8**	8.7
Cash and Cash Equivalents at End of Period	**$ 8.8**	$ 8.1
Supplemental Cash Flow Information:		
Interest Paid	**$ 4.0**	$ 2.9
Income Taxes Paid	**$ —**	$ 1.0
Payments on Capital Leases	**$ 0.9**	$ 0.9
Non-cash Investing Activity:		
Capital Expenditures Included in Accounts Payable	**$ 0.6**	$ 0.5

(The accompanying notes are an integral part of these consolidated unaudited financial statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON STOCK EQUITY
(Millions, except number of shares)
(UNAUDITED)

	Common Equity	Retained Earnings	Total
Balance at January 1, 2017	$ 240.7	$ 52.2	**$292.9**
Net Income		12.4	**12.4**
Dividends on Common Shares		(5.1)	**(5.1)**
Stock Compensation Plans	1.1		**1.1**
Issuance of 7,581 Common Shares	0.3		**0.3**
Balance at March 31, 2017	**$ 242.1**	**$ 59.5**	**$301.6**
Balance at January 1, 2016	$ 237.5	$ 45.1	**$282.6**
Net Income		10.9	**10.9**
Dividends on Common Shares		(5.0)	**(5.0)**
Stock Compensation Plans	1.1		**1.1**
Issuance of 8,630 Common Shares	0.3		**0.3**
Balance at March 31, 2016	**$ 238.9**	**$ 51.0**	**$289.9**

(The accompanying notes are an integral part of these consolidated unaudited financial statements.)

UNITIL CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – Unitil Corporation (Unitil or the Company) is a public utility holding company. Unitil and its subsidiaries are subject to regulation as a holding company system by the Federal Energy Regulatory Commission (FERC) under the Energy Policy Act of 2005. The following companies are wholly-owned subsidiaries of Unitil: Unitil Energy Systems, Inc. (Unitil Energy), Fitchburg Gas and Electric Light Company (Fitchburg), Northern Utilities, Inc. (Northern Utilities), Granite State Gas Transmission, Inc. (Granite State), Unitil Power Corp. (Unitil Power), Unitil Realty Corp. (Unitil Realty), Unitil Service Corp. (Unitil Service) and its non-regulated business unit Unitil Resources, Inc. (Unitil Resources). Usource Inc. and Usource L.L.C. are subsidiaries of Unitil Resources.

The Company's earnings are seasonal and are typically higher in the first and fourth quarters when customers use natural gas for heating purposes.

Unitil's principal business is the local distribution of electricity in the southeastern seacoast and state capital regions of New Hampshire and the greater Fitchburg area of north central Massachusetts, and the local distribution of natural gas in southeastern New Hampshire, portions of southern and central Maine and in the greater Fitchburg area of north central Massachusetts. Unitil has three distribution utility subsidiaries, Unitil Energy, which operates in New Hampshire, Fitchburg, which operates in Massachusetts and Northern Utilities, which operates in New Hampshire and Maine (collectively referred to as the distribution utilities).

Granite State is a natural gas transportation pipeline, operating 86 miles of underground gas transmission pipeline primarily located in Maine and New Hampshire. Granite State provides Northern Utilities with interconnection to three major natural gas pipelines and access to domestic natural gas supplies in the south and Canadian natural gas supplies in the north. Granite State derives its revenues principally from the transportation services provided to Northern Utilities and, to a lesser extent, third-party marketers.

A fifth utility subsidiary, Unitil Power, formerly functioned as the full requirements wholesale power supply provider for Unitil Energy. In connection with the implementation of electric industry restructuring in New Hampshire, Unitil Power ceased being the wholesale supplier of Unitil Energy on May 1, 2003 and divested of its long-term power supply contracts through the sale of the entitlements to the electricity associated with various electric power supply contracts it had acquired to serve Unitil Energy's customers.

Unitil also has three other wholly-owned subsidiaries: Unitil Service; Unitil Realty; and Unitil Resources. Unitil Service provides, at cost, a variety of administrative and professional services, including regulatory, financial, accounting, human resources, engineering, operations, technology, energy management and management services on a centralized basis to its affiliated Unitil companies. Unitil Realty owns and manages the Company's corporate office in Hampton, New Hampshire and leases this facility to Unitil Service under a long-term lease arrangement. Unitil Resources is the Company's wholly-owned non-regulated subsidiary. Usource, Inc. and Usource L.L.C. (collectively, Usource) are wholly-owned subsidiaries of Unitil Resources. Usource provides brokering and advisory services to large commercial and industrial customers in the northeastern United States.

Basis of Presentation – The accompanying unaudited consolidated financial statements of Unitil have been prepared in accordance with the instructions to Form 10-Q and include all of the information and footnotes required by generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for the three months ended March 31, 2017 are not necessarily indicative of results to be expected for the year ending December 31, 2017. For further information, please refer to Note 1 of Part II to the Consolidated Financial Statements – "Summary of Significant Accounting Policies" of the Company's Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission (SEC) on February 2, 2017, for a description of the Company's Basis of Presentation.

Income Taxes – The Company is subject to Federal and State income taxes as well as various other business taxes. This process involves estimating the Company's current tax liabilities as well as assessing temporary and permanent differences resulting from the timing of the deductions of expenses and recognition of taxable income for tax and book accounting purposes. These temporary differences result in deferred tax assets and liabilities, which are included in the Company's Consolidated Balance Sheets. The Company accounts for income tax assets, liabilities and expenses in accordance with the FASB Codification guidance on Income Taxes. The Company classifies penalty and interest expense related to income tax liabilities as income tax expense and interest expense, respectively, in the Consolidated Statements of Earnings.

Provisions for income taxes are calculated in each of the jurisdictions in which the Company operates for each period for which a statement of earnings is presented. The Company accounts for income taxes in accordance with the FASB Codification guidance on Income Taxes, which requires an asset and liability approach for the financial accounting and reporting of income taxes. Significant judgments and estimates are required in determining the current and deferred tax assets and liabilities. The Company's current and deferred tax assets and liabilities reflect its best assessment of estimated future taxes to be paid. In accordance with the FASB Codification, the Company periodically assesses the realization of its deferred tax assets and liabilities and adjusts the income tax provision, the current tax liability and deferred taxes in the period in which the facts and circumstances which gave rise to the revision become known.

Cash and Cash Equivalents – Cash and Cash Equivalents includes all cash and cash equivalents to which the Company has legal title. Cash equivalents include short-term investments with original maturities of three months or less and interest bearing deposits. The Company's cash and cash equivalents are held at financial institutions and at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. Under the Independent System Operator—New England (ISO-NE) Financial Assurance Policy (Policy), Unitil's subsidiaries Unitil Energy, Fitchburg and Unitil Power are required to provide assurance of their ability to satisfy their obligations to ISO-NE. Under this Policy, Unitil's subsidiaries provide cash deposits covering approximately 2-1/2 months of outstanding obligations, less credit amounts that are based on the Company's credit rating. As of March 31, 2017, March 31, 2016 and December 31, 2016, the Unitil subsidiaries had deposited $2.6 million, $2.1 million and $2.8 million, respectively to satisfy their ISO-NE obligations. In addition, Northern Utilities has cash margin deposits to satisfy requirements for its natural gas hedging program. There were no cash margin deposits at Northern Utilities as of March 31, 2017, March 31, 2016 and December 31, 2016.

Allowance for Doubtful Accounts – The Company recognizes a provision for doubtful accounts each month based upon the Company's experience in collecting electric and gas utility service accounts receivable in prior years. At the end of each month, an analysis of the delinquent receivables is performed which takes into account an assumption about the cash recovery of delinquent receivables. The analysis also calculates the amount of written-off receivables that are recoverable through regulatory rate reconciling mechanisms. The Company's distribution utilities are authorized by regulators to recover the costs of their energy commodity portion of bad debts through rate mechanisms. Also, the electric and gas divisions of Fitchburg are authorized to recover through rates past due amounts associated with hardship accounts that are protected from shut-off. Evaluating the adequacy of the Allowance for Doubtful Accounts requires judgment about the assumptions used in the analysis. It has been the Company's experience that the assumptions it has used in evaluating the adequacy of the Allowance for Doubtful Accounts have proven to be reasonably accurate.

The Allowance for Doubtful Accounts as of March 31, 2017, March 31, 2016 and December 31, 2016, which are included in Accounts Receivable, net on the accompanying unaudited consolidated balance sheets, was as follows:

($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Allowance for Doubtful Accounts	**$1.0**	$1.5	$ 1.1

Accrued Revenue – Accrued Revenue includes the current portion of Regulatory Assets and unbilled revenues. The following table shows the components of Accrued Revenue as of March 31, 2017, March 31, 2016 and December 31, 2016.

Accrued Revenue ($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Regulatory Assets – Current	**$32.0**	$33.7	$ 37.9
Unbilled Revenues	**9.3**	8.4	11.6
Total Accrued Revenue	**$41.3**	$42.1	$ 49.5

Exchange Gas Receivable – Northern Utilities and Fitchburg have gas exchange and storage agreements whereby natural gas purchases during the months of April through October are delivered to a third party. The third party delivers natural gas back to the Company during the months of November through March. The exchange and storage gas volumes are recorded at weighted average cost. The following table shows the components of Exchange Gas Receivable as of March 31, 2017, March 31, 2016 and December 31, 2016.

Exchange Gas Receivable ($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Northern Utilities	**$1.9**	$6.3	$ 7.8
Fitchburg	**0.2**	0.5	0.5
Total Exchange Gas Receivable	**$2.1**	$6.8	$ 8.3

Gas Inventory – The Company uses the weighted average cost methodology to value natural gas inventory. The following table shows the components of Gas Inventory as of March 31, 2017, March 31, 2016 and December 31, 2016.

Gas Inventory ($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Natural Gas	**$—**	$0.1	$ 0.3
Propane	**0.2**	0.2	0.2
Liquefied Natural Gas & Other	**0.1**	0.1	0.1
Total Gas Inventory	**$ 0.3**	$0.4	$ 0.6

Utility Plant – The cost of additions to Utility Plant and the cost of renewals and betterments are capitalized. Cost consists of labor, materials, services and certain indirect construction costs, including an allowance for funds used during construction (AFUDC). The costs of current repairs and minor replacements are charged to appropriate operating expense accounts. The original cost of utility plant retired or otherwise disposed of is charged to the accumulated provision for depreciation. The Company includes in its mass asset depreciation rates, which are periodically reviewed as part of its ratemaking proceedings, cost of removal amounts to provide for future negative salvage value. At March 31, 2017, March 31, 2016 and December 31, 2016, the Company estimates that the cost of removal amounts, which are recorded on the Consolidated Balance Sheets in Cost of Removal Obligations are $79.7 million, $72.3 million, and $77.0 million, respectively.

Regulatory Accounting – The Company's principal business is the distribution of electricity and natural gas by the three distribution utilities: Unitil Energy, Fitchburg and Northern Utilities. Unitil Energy and Fitchburg are subject to regulation by the FERC. Fitchburg is also regulated by the Massachusetts Department of Public Utilities (MDPU), Unitil Energy is regulated by the New Hampshire Public Utilities Commission (NHPUC) and Northern Utilities is regulated by the Maine Public Utilities Commission (MPUC) and NHPUC. Granite State, the Company's natural gas transmission pipeline, is regulated by the FERC. Accordingly, the Company uses the Regulated Operations guidance as set forth in the FASB Codification. The Company has recorded Regulatory Assets and Regulatory Liabilities which will be recovered from customers, or applied for customer benefit, in accordance with rate provisions approved by the applicable public utility regulatory commission.

Regulatory Assets consist of the following ($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Retirement Benefits	**$ 75.7**	$ 64.4	$ 75.9
Energy Supply & Other Regulatory Tracker Mechanisms	**27.7**	28.2	32.7
Deferred Storm Charges	**8.6**	13.8	9.6
Environmental	**10.7**	11.9	10.8
Income Taxes	**7.3**	8.3	7.3
Other	**5.5**	5.3	5.7
Total Regulatory Assets	**135.5**	131.9	142.0
Less: Current Portion of Regulatory Assets[(1)]	**32.0**	33.7	37.9
Regulatory Assets – noncurrent	**$103.5**	$ 98.2	$ 104.1

(1) Reflects amounts included in Accrued Revenue, discussed above, on the Company's Consolidated Balance Sheets.

Regulatory Liabilities consist of the following ($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Regulatory Tracker Mechanisms	**$ 9.2**	$12.0	$ 6.2
Gas Pipeline Refund (Note 6)	**4.3**	10.1	6.8
Total Regulatory Liabilities	**13.5**	22.1	13.0
Less: Current Portion of Regulatory Liabilities	**12.8**	18.8	10.4
Regulatory Liabilities – noncurrent	**$ 0.7**	$ 3.3	$ 2.6

Generally, the Company receives a return on investment on its regulated assets for which a cash outflow has been made. Included in Regulatory Assets as of March 31, 2017 are $2.5 million of deferred storm charges to be recovered over the next one and a half years and $8.0 million of environmental costs, rate case costs and other expenditures to be recovered over varying periods in the next seven years. Regulators have authorized recovery of these expenditures, but without a return. Regulatory commissions can reach different conclusions about the recovery of costs, which can have a material impact on the Company's Consolidated Financial Statements. The Company believes it is probable that its regulated distribution and transmission utilities will recover their investments in long-lived assets, including regulatory assets. If the Company, or a portion of its assets or operations, were to cease meeting the criteria for application of these accounting rules, accounting standards for businesses in general would become applicable and immediate recognition of any previously deferred costs, or a portion of deferred costs, would be required in the year in which the criteria are no longer met, if such deferred costs were not recoverable in the portion of the business that continues to meet the criteria for application of the FASB Codification topic on Regulated Operations. If unable to continue to apply the FASB Codification provisions for Regulated Operations, the Company would be required to apply the provisions for the Discontinuation of Rate-Regulated Accounting included in the FASB Codification. In the Company's opinion, its regulated operations will be subject to the FASB Codification provisions for Regulated Operations for the foreseeable future.

Derivatives – The Company's regulated energy subsidiaries enter into energy supply contracts to serve their electric and gas customers. The Company follows a procedure for determining whether each contract qualifies as a derivative instrument under the guidance provided by the FASB Codification on Derivatives and Hedging. For each contract, the Company reviews and documents the key terms of the contract. Based on those terms and any additional relevant components of the contract, the Company determines and documents whether the contract qualifies as a derivative instrument as defined in the FASB Codification. The Company has determined that none of its energy supply contracts, other than the regulatory approved hedging program, described below, qualifies as a derivative instrument under the guidance set forth in the FASB Codification.

The Company has a regulatory approved hedging program for Northern Utilities designed to fix or cap a portion of its gas supply costs for the coming years of service. The Company purchases call option contracts on NYMEX natural gas futures contracts for future winter period months.

Any gains or losses resulting from the change in the fair value of these derivatives are passed through to ratepayers directly through Northern Utilities' Cost of Gas Clause. The fair value of these derivatives is determined using Level 2 inputs (valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly), specifically based on the NYMEX closing prices for outstanding contracts as of the balance sheet date. As a result of the ratemaking process, the Company records gains and losses resulting from the change in fair value of the derivatives as regulatory liabilities or assets, then reclassifies these gains or losses into Cost of Gas Sales when the gains and losses are passed through to customers through the Cost of Gas Clause.

As of March 31, 2017, March 31, 2016 and December 31, 2016 the Company had 1.2 billion, 1.8 billion and 2.0 billion cubic feet (BCF), respectively, outstanding in natural gas futures and options contracts under its hedging program.

As of March 31, 2017 and 2016, the Company's derivatives that are not designated as hedging instruments under FASB ASC 815-20 have a fair value of $0.3 million and less than $0.1 million, respectively.

Investments in Marketable Securities – The Company has a trust through which it invests in a variety of equity and fixed income mutual funds. These funds are intended to satisfy obligations under the Company's Supplemental Executive Retirement Plan ("SERP") (See further discussion of the SERP in Note 9.

At March 31, 2017, March 31, 2016 and December 31, 2016, the fair value of the Company's investments in these trading securities, which are recorded on the Consolidated Balance Sheets in Other Assets, were $3.3 million, $0.7 and $1.9 million, respectively, as shown in the table below. These investments are valued based on quoted prices from active markets and are categorized in Level 1 as they are actively traded and no valuation adjustments have been applied. Changes in the fair value of these investments are recorded in Other Expense, net.

Fair Value of Marketable Securities ($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Equity Funds	**$1.1**	$ 0.4	$ 1.1
Fixed Income Funds	**0.9**	0.3	0.8
Cash and Equivalents	**1.3**	—	—
Total Marketable Securities	**$3.3**	$ 0.7	$ 1.9

Energy Supply Obligations – The following discussion and table summarize the nature and amounts of the items recorded as Energy Supply Obligations (current portion) and Other Noncurrent Liabilities (noncurrent portion) on the Company's Consolidated Balance Sheets.

Energy Supply Obligations ($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Current:			
Exchange Gas Obligation	**$ 1.9**	$ 6.3	$ 7.8
Renewable Energy Portfolio Standards	**6.8**	7.3	3.9
Power Supply Contract Divestitures	**0.3**	0.3	0.3
Total Energy Supply Obligations – Current	**9.0**	13.9	12.0
Long-Term:			
Power Supply Contract Divestitures	**1.2**	1.5	1.3
Total Energy Supply Obligations	**$10.2**	$15.4	$ 13.3

Exchange Gas Obligation – Northern Utilities enters into gas exchange agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. The gas inventory related to these agreements is recorded in Exchange Gas Receivable on the Company's Consolidated Balance Sheets while the corresponding obligations are recorded in Energy Supply Obligations.

Renewable Energy Portfolio Standards – Renewable Energy Portfolio Standards (RPS) require retail electricity suppliers, including public utilities, to demonstrate that required percentages of their sales are met with power generated from certain types of resources or technologies. Compliance is demonstrated by purchasing and retiring Renewable Energy Certificates (REC) generated by facilities approved by the state as qualifying for REC treatment. Unitil Energy and Fitchburg purchase RECs in compliance with RPS legislation in New Hampshire and Massachusetts for supply provided to default service customers. RPS compliance costs are a supply cost that is recovered in customer default service rates. Unitil Energy and Fitchburg collect RPS compliance costs from customers throughout the year and demonstrate compliance for each calendar year on the following July 1. Due to timing differences between collection of revenue from customers and payment of REC costs to suppliers, Unitil Energy and Fitchburg typically maintain accrued revenue for RPS compliance which is recorded in Accrued Revenue with a corresponding liability in Energy Supply Obligations on the Company's Consolidated Balance Sheets.

Fitchburg has entered into long-term renewable contracts for electric energy and/or renewable energy credits pursuant to Massachusetts legislation, specifically, the Act Relative to Green Communities of 2008 and the Act Relative to Competitively Priced Electricity (2012) in the Commonwealth, and the MDPU's regulations implementing the legislation. The generating facilities associated with three of these contracts have been constructed and are operating. A recent round of long-term renewable energy procurements was conducted during 2016 and several contracts are expected to be finalized and submitted to MDPU for approval in 2017. Additional procurements are expected in compliance with the Act to Promote Energy Diversity (2016). Fitchburg recovers the costs associated with long-term renewable contracts on a fully reconciling basis through a MDPU-approved cost recovery mechanism.

Power Supply Contract Divestitures – Unitil Energy's and Fitchburg's customers are entitled to purchase their electric or natural gas supplies from third-party suppliers. In connection with the implementation of retail choice, Unitil Power, which formerly functioned as the wholesale power supply provider for Unitil Energy, and Fitchburg divested their long-term power supply contracts through the sale of the entitlements to the electricity sold under those contracts. Unitil Energy and Fitchburg recover in their rates all the costs associated with the divestiture of their power supply portfolios and have secured regulatory approval from the NHPUC and MDPU, respectively, for the recovery of power supply-related stranded costs. The obligations related to these divestitures are recorded in Energy Supply Obligations (current portion) and Other Noncurrent Liabilities (noncurrent portion) on the Company's Consolidated Balance Sheets with corresponding regulatory assets recorded in Accrued Revenue (current portion) and Regulatory Assets (noncurrent portion).

Recently Issued Pronouncements – In March 2017, the FASB issued Accounting Standards Update (ASU) No. 2017-07, "Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." The ASU requires an employer to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used to present the other components of net benefit cost, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the income statement to present the other components of net benefit cost must be disclosed. The amendments also allow only the service cost component to be eligible for capitalization when applicable. The amendments are effective for public business entities for annual periods beginning after December 15, 2017, including interim periods within those annual periods. The Company is evaluating the impact that this new guidance will have on the Company's Consolidated Financial Statements.

In April and March 2016, the FASB issued ASU 2016-10 and ASU 2016-08, respectively. ASU 2016-10 clarifies the implementation guidance on licensing and the identification of performance obligations considerations included in ASU 2014-09. ASU 2016-08 provides amendments to clarify the implementation guidance on principal versus agent considerations included in ASU 2014-09. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The effective date of this pronouncement is for fiscal years beginning after December 15, 2017 with early adoption permitted as of the original effective date. The Company will implement the standard in the first quarter of 2018 on a modified retrospective basis and it is not expected to have a material impact on the Company's Consolidated Financial Statements.

In March 2016, the FASB issued ASU 2016-09, which provides for improvements to employee share-based payment accounting. ASU 2016-09 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The Company adopted this new guidance in the first quarter of 2017 and it did not have an impact on the Company's Consolidated Financial Statements.

In February 2016, the FASB issued ASU 2016-02, which replaces the existing guidance in Accounting Standard Codification 840, Leases. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. ASU 2016-02 requires a dual approach for lessee accounting under which a lessee would account for leases as finance (also referred to as capital) leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and corresponding lease liability. For finance leases the lessee would recognize interest expense and amortization of the right-of-use asset and for operating leases the lessee would recognize straight-line total lease expense. The Company is evaluating the impact that this new guidance will have on the Company's Consolidated Financial Statements.

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-01 which addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. A financial instrument is defined as cash, evidence of ownership interest in a company or other entity, or a contract that both: (i) imposes on one entity a contractual obligation either to deliver cash or another financial instrument to a second entity or to exchange other financial instruments on potentially unfavorable terms with the second entity and (ii) conveys to that second entity a contractual right either to receive cash or another financial instruments from the first entity or to exchange other financial instruments on potentially favorable terms with the first entity. This pronouncement is effective for financial statements issued for annual periods beginning after December 15, 2017 and interim periods within those annual periods with earlier application permitted as of the beginning of the fiscal year of adoption. The Company is evaluating the impact that this new guidance will have on the Company's Consolidated Financial Statements.

Other than the pronouncements discussed above, there are no recently issued pronouncements that the Company has not already adopted or that have a material impact on the Company.

Subsequent Events – The Company evaluates all events or transactions through the date of the related filing. During the period through the date of this filing, the Company did not have any material subsequent events, other than the pricing of debt discussed below, that would result in adjustment to or disclosure in its Consolidated Financial Statements.

On April 21, 2017, Northern Utilities, Fitchburg and Granite State, priced $90 million collectively of Senior Unsecured Notes (Notes) through a private placement marketing process to institutional investors. Northern Utilities priced $20 million of Notes due 2027 at 3.52% and $30 million of Notes due 2047 at 4.32%. Fitchburg priced $10 million of Notes due 2027 at 3.52% and $15 million of Notes due 2047 at 4.32%. Granite State priced $15 million of Notes due 2027 at 3.72%.

Northern Utilities, Fitchburg and Granite State plan to use the net proceeds from the offering to repay short-term debt and for general corporate purposes. Northern Utilities, Fitchburg and Granite State anticipate closing this long-term financing in the fourth quarter of 2017.

Northern Utilities, Fitchburg and Granite State have received initial commitments from the expected purchasers of the Notes. However, the issuance of the Notes is subject to execution of the definitive documentation and funding of the commitments.

The Notes offered have not been and will not be registered under the Securities Act of 1933 (Act), or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Act and applicable state securities laws.

NOTE 2 – DIVIDENDS DECLARED PER SHARE

Declaration Date	Date Paid (Payable)	Shareholder of Record Date	Dividend Amount
04/26/17	05/30/17	05/16/17	$ 0.360
01/25/17	02/28/17	02/14/17	$ 0.360
10/19/16	11/28/16	11/14/16	$ 0.355
07/20/16	08/26/16	08/12/16	$ 0.355
04/20/16	05/27/16	05/13/16	$ 0.355
01/27/16	02/26/16	02/12/16	$ 0.355

NOTE 3 – SEGMENT INFORMATION

The following table provides significant segment financial data for the three months ended March 31, 2017 and March 31, 2016:

Three Months Ended March 31, 2017 ($ millions)	Gas	Electric	Non-Regulated	Other	Total
Revenues	**$ 74.8**	**$ 49.5**	**$ 1.7**	**$ —**	**$ 126.0**
Segment Profit (Loss)	**9.9**	**2.1**	**0.4**	**—**	**12.4**
Identifiable Segment Assets	**641.8**	**442.8**	**7.0**	**42.8**	**1,134.4**
Capital Expenditures	**5.7**	**8.3**	**—**	**3.5**	**17.5**
Three Months Ended March 31, 2016 ($ millions)					
Revenues	$ 73.1	$ 51.1	$ 1.6	$ —	$ 125.8
Segment Profit	9.4	1.3	0.3	(0.1)	10.9
Identifiable Segment Assets	596.9	420.8	6.8	28.4	1,052.9
Capital Expenditures	3.1	5.7	—	2.5	11.3
As of December 31, 2016 ($ millions)					
Identifiable Segment Assets	$645.2	$441.1	$ 6.8	$35.1	$1,128.2

NOTE 4 – DEBT AND FINANCING ARRANGEMENTS

Details on long-term debt at March 31, 2017, March 31, 2016 and December 31, 2016 are shown below:

($ millions)	March 31, 2017	March 31, 2016	December 31, 2016
Unitil Corporation Senior Notes:			
6.33% Notes, Due May 1, 2022	**$ 20.0**	$ 20.0	$ 20.0
3.70% Notes, Due August 1, 2026	**30.0**	—	30.0
Unitil Energy Systems, Inc.:			
First Mortgage Bonds:			
5.24% Series, Due March 2, 2020	**15.0**	15.0	15.0
8.49% Series, Due October 14, 2024	**9.0**	12.0	9.0
6.96% Series, Due September 1, 2028	**20.0**	20.0	20.0
8.00% Series, Due May 1, 2031	**15.0**	15.0	15.0
6.32% Series, Due September 15, 2036	**15.0**	15.0	15.0
Fitchburg Gas and Electric Light Company:			
Long-Term Notes:			
6.75% Notes, Due November 30, 2023	**9.5**	11.4	9.5
6.79% Notes, Due October 15, 2025	**10.0**	10.0	10.0
7.37% Notes, Due January 15, 2029	**12.0**	12.0	12.0
5.90% Notes, Due December 15, 2030	**15.0**	15.0	15.0
7.98% Notes, Due June 1, 2031	**14.0**	14.0	14.0
Northern Utilities Senior Notes:			
6.95% Senior Notes, Series A, Due December 3, 2018	**20.0**	30.0	20.0
5.29% Senior Notes, Due March 2, 2020	**25.0**	25.0	25.0
7.72% Senior Notes, Series B, Due December 3, 2038	**50.0**	50.0	50.0
4.42% Senior Notes, Due October 15, 2044	**50.0**	50.0	50.0
Granite State Senior Notes:			
7.15% Senior Notes, Due December 15, 2018	**6.7**	10.0	6.7
Unitil Realty Corp.:			
Senior Secured Notes:			
8.00% Notes, Due Through August 1, 2017	**0.2**	0.9	0.4
Total Long-Term Debt	**336.4**	325.3	336.6
Less: Unamortized Debt Issuance Costs	**2.9**	2.8	3.0
Total Long-Term Debt, net of Unamortized Debt Issuance Costs	**333.5**	322.5	333.6
Less: Current Portion	**30.0**	17.1	16.8
Total Long-term Debt, Less Current Portion	**$303.5**	$305.4	$ 316.8

Fair Value of Long-Term Debt – Currently, the Company believes that there is no active market in the Company's debt securities, which have all been sold through private placements. If there were an active market for the Company's debt securities, the fair value of the Company's long-term debt would be estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's long-term debt is estimated using Level 2 inputs (valuations based on quoted prices available in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are directly observable, and inputs derived principally from market data.) In estimating the fair value of the Company's long-term debt, the assumed market yield reflects the Moody's Baa Utility Bond Average Yield. Costs, including prepayment costs, associated with the early settlement of long-term debt are not taken into consideration in determining fair value.

($ millions)	March 31,		December 31,
	2017	2016	2016
Estimated Fair Value of Long-Term Debt	**$374.3**	$355.7	$ 370.3

Credit Arrangements

On October 4, 2013, the Company entered into an Amended and Restated Credit Agreement (as further amended, restated, amended and restated, modified or supplemented from time to time, the "Credit Facility"). The Credit Facility terminates October 4, 2020 and provides for a borrowing limit of $120 million which includes a $25 million sublimit for the issuance of standby letters of credit. The Credit Facility provides Unitil with the ability to elect that borrowings under the Credit Facility bear interest under several options, including at a daily fluctuating rate of interest per annum equal to one-month London Interbank Offered Rate (LIBOR) plus 1.25%. Provided there is no event of default under the Credit Facility, the Company may on a one-time basis request an increase in the aggregate commitments under the Credit Facility by an aggregate additional amount of up to $30 million.

The Company utilizes the Credit Facility for cash management purposes related to its short-term operating activities. Total gross borrowings were $55.7 million for the three months ended March 31, 2017. Total gross repayments were $61.0 million for the three months ended March 31, 2017. The following table details the borrowing limits, amounts outstanding and amounts available under the revolving Credit Facility as of March 31, 2017, March 31, 2016 and December 31, 2016:

	Revolving Credit Facility ($ millions)		
	March 31,		December 31,
	2017	2016	2016
Limit	**$ 120.0**	$ 120.0	$ 120.0
Short-Term Borrowings Outstanding	**$ 76.6**	$ 47.9	$ 81.9
Letters of Credit Outstanding	**$ 1.1**	$ —	$ 1.1
Available	**$ 42.3**	$ 72.1	$ 37.0

The Credit Facility contains customary terms and conditions for credit facilities of this type, including affirmative and negative covenants. There are restrictions on, among other things, Unitil's and its subsidiaries' ability to permit liens or incur indebtedness, and restrictions on Unitil's ability to merge or consolidate with another entity or change its line of business. The affirmative and negative covenants under the Credit Facility shall apply to Unitil until the Credit Facility terminates and all amounts borrowed under the Credit Facility are paid in full (or with respect to letters of credit, they are cash collateralized). The only financial covenant in the Credit Facility provides that Unitil's Funded Debt to Capitalization (as each term is defined in the Credit Facility) cannot exceed 65%, tested on a quarterly basis. At March 31, 2017, March 31, 2016 and December 31, 2016, the Company was in compliance with the covenants contained in the Credit Facility in effect on that date.

The weighted average interest rates on all short-term borrowings and intercompany money pool transactions were 2.1% and 1.7% for the three months ended March 31, 2017 and March 31, 2016, respectively. The weighted average interest rate on all short-term borrowings for the twelve months ended December 31, 2016 was 1.8%.

Unitil Corporation and its utility subsidiaries, Fitchburg, Unitil Energy, Northern Utilities, and Granite State are currently rated "BBB+" by Standard & Poor's Ratings Services.

On April 21, 2017, Northern Utilities, Fitchburg and Granite State, priced $90 million collectively of Senior Unsecured Notes (Notes) through a private placement marketing process to institutional investors. (See also "Subsequent Events" in Note 1.)

In April 2014, Unitil Service Corp. entered into a financing arrangement, structured as a capital lease obligation, for various information systems and technology equipment. Final funding under this capital lease occurred on October 30, 2015, resulting in total funding of $13.4 million. The capital lease matures on September 30, 2020. As of March 31, 2017, there are $2.6 million of current and $7.1 million of noncurrent obligations under this capital lease on the Company's Consolidated Balance Sheets.

Northern Utilities enters into asset management agreements under which Northern Utilities releases certain natural gas pipeline and storage assets, resells the natural gas storage inventory to an asset manager and subsequently repurchases the inventory over the course of the natural gas heating season at the same price at which it sold the natural gas inventory to the asset manager. There was $3.8 million, $6.7 million and $9.9 million of natural gas storage inventory at March 31, 2017, March 31, 2016 and December 31, 2016, respectively, related to these asset management agreements. The amount of natural gas inventory released in March 2017 and payable in April 2017 is $2.0 million and is recorded in Accounts Payable at March 31, 2017. The amount of natural gas inventory released in March 2016 and payable in April 2016 was $0.4 million and was recorded in Accounts Payable at March 31, 2016. The amount of natural gas inventory released in December 2016 and payable in January 2017 was $2.1 million and was recorded in Accounts Payable at December 31, 2016.

Guarantees

The Company provides limited guarantees on certain energy and natural gas storage management contracts entered into by the distribution utilities. The Company's policy is to limit the duration of these guarantees. As of March 31, 2017, there were approximately $23.9 million of guarantees outstanding and the longest term guarantee extends through August 2017.

The Company also guarantees the payment of principal, interest and other amounts payable on the notes issued by Unitil Realty and Granite State. As of March 31, 2017, the principal amount outstanding for the 8% Unitil Realty notes was $0.2 million, and the principal amount outstanding for the 7.15% Granite State notes was $6.7 million.

NOTE 5 – COMMON STOCK AND PREFERRED STOCK

Common Stock

The Company's common stock trades on the New York Stock Exchange under the symbol, "UTL."

The Company had 14,043,280, 14,065,230 and 14,107,741 shares of common stock outstanding at March 31, 2016, December 31, 2016 and March 31, 2017, respectively.

Dividend Reinvestment and Stock Purchase Plan – During the first quarter of 2017, the Company sold 7,581 shares of its common stock, at an average price of $44.64 per share, in connection with its Dividend Reinvestment and Stock Purchase Plan (DRP) and its 401(k) plans resulting in net proceeds of approximately $338,400. The DRP provides participants in the plan a method for investing cash dividends on the Company's common stock and cash payments in additional shares of the Company's common stock.

Stock Plan – The Company maintains the Unitil Corporation Second Amended and Restated 2003 Stock Plan (the Stock Plan). Participants in the Stock Plan are selected by the Compensation Committee of the Board of Directors to receive awards under the Stock Plan, including awards of restricted shares (Restricted Shares), or of restricted stock units (Restricted Stock Units). The Compensation Committee has the authority to determine the sizes of awards; determine the terms and conditions of awards in a manner consistent with the Stock Plan; construe and interpret the Stock Plan and any agreement or instrument entered into under the Stock Plan as they apply to participants; establish, amend, or waive rules and regulations for the Stock Plan's administration as they apply to participants; and, subject to the provisions of the Stock Plan, amend the terms and conditions of any outstanding award to the extent such terms and conditions are within the discretion of the Compensation Committee as provided for in the Stock Plan. On April 19, 2012, the Company's shareholders approved an amendment to the Stock Plan to, among other things, increase the maximum number of shares of common stock available for awards to plan participants.

The maximum number of shares available for awards to participants under the Stock Plan is 677,500. The maximum number of shares that may be awarded in any one calendar year to any one participant is 20,000. In the event of any change in capitalization of the Company, the Compensation Committee is authorized to make an equitable adjustment to the number and kind of shares of common stock that may be delivered under the Stock Plan and, in addition, may authorize and make an equitable adjustment to the Stock Plan's annual individual award limit.

Restricted Shares

Outstanding awards of Restricted Shares fully vest over a period of four years at a rate of 25% each year. During the vesting period, dividends on Restricted Shares underlying the award may be credited to a participant's account. The Company may deduct or withhold, or require a participant to remit to the Company, an amount sufficient to satisfy any taxes required by federal, state, or local law or regulation to be withheld with respect to any taxable event arising in connection with an Award. For purposes of compensation expense, Restricted Shares vest immediately upon a participant becoming eligible for retirement, as defined in the Stock Plan. Prior to the end of the vesting period, the restricted shares are subject to forfeiture if the participant ceases to be employed by the Company other than due to the participant's death.

On January 30, 2017, 34,930 Restricted Shares were issued in conjunction with the Stock Plan with an aggregate market value at the date of issuance of approximately $1.6 million. There were 94,880 and 94,706 non-vested shares under the Stock Plan as of March 31, 2017 and 2016, respectively. The weighted average grant date fair value of these shares was $39.55 and $35.24, respectively. The compensation expense associated with the issuance of shares under the Stock Plan is being recognized over the vesting period and was $1.7 million and $1.6 million for the three months ended March 31, 2017 and 2016, respectively. At March 31, 2017, there was approximately $1.8 million of total unrecognized compensation cost under the Stock Plan which is expected to be recognized over approximately 2.8 years. There were no forfeitures or cancellations under the Stock Plan during the three months ended March 31, 2017.

Restricted Stock Units

Restricted Stock Units earn dividend equivalents and will generally be settled by payment to each Director as soon as practicable following the Director's separation from service to the Company. The Restricted Stock Units will be paid such that the Director will receive (i) 70% of the shares of the Company's common stock underlying the restricted stock units and (ii) cash in an amount equal to the fair market value of 30% of the shares of the Company's common stock underlying the Restricted Stock Units. The equity portion of Restricted Stock Units activity during the three months ended March 31, 2017 in conjunction with the Stock Plan are presented in the following table:

Restricted Stock Units (Equity Portion)

	Units	Weighted Average Stock Price
Restricted Stock Units as of December 31, 2016	43,345	$ 33.40
Restricted Stock Units Granted	—	—
Dividend Equivalents Earned	351	$ 44.59
Restricted Stock Units Settled	—	—
Restricted Stock Units as of March 31, 2017	**43,696**	**$ 33.49**

There were 33,892 Restricted Stock Units outstanding as of March 31, 2016 with a weighted average stock price of $31.89. Included in Other Noncurrent Liabilities on the Company's Consolidated Balance Sheets as of March 31, 2017, March 31, 2016 and December 31, 2016 is $0.8 million, $0.6 million and $0.8 million, respectively, representing the fair value of liabilities associated with the portion of fully vested RSUs that will be settled in cash.

Preferred Stock

There was $0.2 million, or 1,893 shares, of Unitil Energy's 6.00% Series Preferred Stock outstanding as of March 31, 2017 and December 31, 2016. There was $0.2 million, or 1,898 shares, of Unitil Energy's 6.00% Series Preferred Stock outstanding as of March 31, 2016. There were less than $0.1 million of total dividends declared on Preferred Stock in each of the three month periods ended March 31, 2017 and March 31, 2016, respectively.

NOTE 6 – REGULATORY MATTERS

UNITIL'S REGULATORY MATTERS ARE DESCRIBED IN NOTE 8 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2016 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 2, 2017.

Rate Case Activity

Unitil Energy – Base Rates – On April 29, 2016 Unitil Energy filed for a $6.3 million or 3.6 percent increase in distribution base rates with the NHPUC. The Company also requested a long-term rate plan for the annual recovery in future years of the costs associated with utility plant additions. The Company was initially provided a temporary increase of $2.4 million effective July 1, 2016, subject to reconciliation with the permanent rates when approved by the NHPUC. On April 20, 2017 the NHPUC issued its final order approving a settlement between the Company, Commission Staff and the Office of Consumer Advocate which provides for a permanent increase of $4.1 million, and a three year rate plan with the first rate step adjustment in May 2017 of $0.9 million, followed by rate step adjustments in May of 2018 and 2019 for 80% of capital expenditures.

Fitchburg – Base Rates – Electric – On April 29, 2016 the MDPU issued an order approving a $2.1 million increase in Fitchburg’s electric base revenue decoupling target, effective May 1, 2016. The MDPU also approved a capital cost recovery mechanism, providing for annual adjustments to target revenues to account for capital spending. In 2016, Fitchburg made its first capital cost adjustment filing documenting its capital investments for calendar year 2015 which provided approximately $0.2 million to $0.3 million of annual revenue. On December 27, 2016 the MDPU approved this filing subject to further investigation and reconciliation. On a prospective basis, Fitchburg expects annual revenue adjustments of approximately $0.3 million.

Fitchburg – Base Rates – Gas – On April 29, 2016, the MDPU issued an order approving a $1.6 million increase in Fitchburg’s gas base revenue decoupling target, effective May 1, 2016.

Fitchburg – Gas Operations – On October 31, 2016, Fitchburg submitted its annual filing under its gas system enhancement plan program to recover the estimated cost to be incurred in 2017. The filing seeks approval to collect an additional $0.9 million, over and above the $0.9 million already reflected in rates, to recover the cumulative cost of investments in the program through the end of 2017. In addition, the Company seeks a waiver of the 1.5 percent cap on annual changes in the revenue requirement eligible for recovery. The MDPU’s decision on this request is pending and is expected by the end of April, 2017, for rates effective May 1, 2017. On a prospective basis, Fitchburg expects annual revenue adjustments of approximately $0.6 million

Northern Utilities – Base Rates – Maine – On March 31, 2017, Northern Utilities issued a 60 day Notice of Intent to file a rate case with the MPUC to increase gas base distribution rates by approximately $5.5 million.

Northern Utilities – Targeted Infrastructure Replacement Adjustment – The settlement in Northern Utilities’ Maine division’s last rate case allowed the Company to implement a Targeted Infrastructure Replacement Adjustment (TIRA) rate mechanism to adjust base distribution rates annually to recover the revenue requirements associated with targeted investments in gas distribution system infrastructure replacement and upgrade projects. The TIRA has an initial term of four years and covers targeted capital expenditures in 2013 through 2016. The 2017 TIRA, for 2016 expenditures, approved by the MPUC on April 25, 2017, provides for an annual increase in distribution base revenue of $1.1 million, effective May 1, 2017.

Northern Utilities – Targeted Area Build-out Program – Maine – On December 22, 2015, the MPUC approved a Targeted Area Build-out (TAB) program and associated rate surcharge mechanism. This program is designed to allow the economic extension of natural gas mains to new, targeted service areas in Maine and is being initially piloted in the City of Saco. It allows customers in the targeted area the ability to pay a rate surcharge, instead of a large upfront payment or capital contribution to connect to the natural gas delivery system. The City of Saco TAB program, being built out over a period of three years, has the potential to add 1,000 new customers and approximately $1 million in annual distribution revenue in the Saco area. On February 28, 2017, the Company filed for approval of its second TAB program, for the Town of Sanford, ME. The second TAB program has the potential to add 2,000 new customers and approximately $2 million in annual distribution revenue in the Sanford area. This matter remains pending.

Northern Utilities – Base Rates – New Hampshire – On April 24, 2017, Northern Utilities issued a 60 day Notice of Intent to file a rate case with the NHPUC to increase gas base distribution rates by approximately $5.0 million.

Northern Utilities – Pipeline Refund – On February 19, 2015, the FERC issued Opinion No. 524-A, the final order in Portland Natural Gas Transmission's (PNGTS) Section 4 rate case, requiring PNGTS to issue refunds to shippers. Northern Utilities received a pipeline refund of $22.0 million on April 15, 2015. As a gas supply-related refund, the entire amount refunded will be credited to Northern Utilities' customers and marketers over three years as directed by the NHPUC and MPUCMPUC. The Company has recorded current and noncurrent Regulatory Liabilities related to these refunds of $3.6 million and $0.7 million, respectively, on its Consolidated Balance Sheets as of March 31, 2017.

Granite State – Base Rates – Granite State has in place a FERC-approved second amended settlement agreement under which it is permitted to file annually, each June, for a rate adjustment to recover the revenue requirements associated with specified capital investments in gas transmission projects up to a specific cost cap. On June 24, 2016 Granite State filed for an annual revenue and rate increase under this provision of $0.3 million, effective August 1, 2016. This filing was approved by the FERC on July 13, 2016. In the second quarter of 2017, the Company expects to file for an annual rate and revenue increase between $0.3 million and $0.4 million, effective August 1, 2017.

Other Matters

NHPUC Energy Efficiency Resource Standard Proceeding – In May 2015, the NHPUC opened a proceeding to establish an Energy Efficiency Resource Standard ("EERS"), an energy efficiency policy with specific targets or goals for energy savings that New Hampshire electric and gas utilities must meet. On April 27, 2016, a comprehensive settlement agreement was filed by the parties, including Unitil Energy and Northern Utilities, which was approved by the NHPUC on August 2, 2016. The settlement provides for: extending the 2014-2016 Core program an additional year (through 2017); establishing an EERS; establishing a recovery mechanism to compensate the utilities for lost-revenue related to the EERS programs; and approving the performance incentives and processes for stakeholder involvement, evaluation, measurement and verification, and oversight of the EERS programs.

Unitil Energy – Electric Grid Modernization – In July 2015, the NHPUC opened an investigation into Grid Modernization to address a variety of issues related to Distribution System Planning, Customer Engagement with Distributed Energy Resources, and Utility Cost Recovery and Financial Incentives. The NHPUC engaged a consultant to direct a Working Group to investigate these issues and to prepare a final report with recommendations for the Commission. The final report was filed on March 20, 2017. This matter remains pending.

Unitil Energy – Net Metering – Pursuant to legislation that became effective in May 2016, the NHPUC opened a proceeding to consider alternatives to the net metering tariffs currently in place. The legislation requires that a decision on this matter must be issued by the NHPUC by March 2, 2017. The NHPUC approved an extension of the current net metering tariffs on an interim basis until it issues its final decision on June 2, 2017. Hearings on two differing settlement proposals were held the week of March 27, 2017. This matter remains pending.

Fitchburg – Electric Operations – On November 17, 2016, Fitchburg submitted its 2016 annual reconciliation of costs and revenues for transition and transmission under its restructuring plan, including the reconciliation of costs and revenues for a number of other surcharges and cost factors, for review and approval by the MDPU. All of the rates were given final approval by the MDPU on December 29, 2016, effective January 1, 2017.

Fitchburg – Service Quality – On February 28, 2017, Fitchburg submitted its 2016 Service Quality Reports for both its gas and electric divisions in accordance with new Service Quality Guidelines issued by the MDPU in December 2015. Fitchburg reported that it met or exceeded its benchmarks for service quality performance in all metrics for both its gas and electric divisions.

Fitchburg – Solar Generation – On August 19, 2016, Fitchburg filed a petition with the MDPU seeking approval to develop a 1.3 MW solar generation facility located on Company property in Fitchburg, Massachusetts. The proposal includes a cost recovery mechanism that would share the costs and benefits of the project among all Fitchburg customers. On November 9, 2016, the MDPU approved a Settlement Agreement supporting the proposal, which was reached between the Company, the Attorney General of Massachusetts, and the Low-Income Weatherization and Fuel Assistance Program Network. Construction of the solar generating facility is expected to be completed by the end of November 2017.

Fitchburg – Energy Diversity – Governor Baker signed into law H4568 “An Act to Promote Energy Diversity” on August 8, 2016. Among many sections in the bill, the primary provision adds new sections 83c and 83d to the 2008 Green Communities Act. Section 83c requires every electric distribution company (EDC) to jointly and competitively solicit proposals for at least 400 MW’s of offshore wind energy generation by June 30, 2017, as part of a total of 1,600 MW of offshore wind the EDCs are directed to procure by June 30, 2027. The procurement requirement is subject to a determination by the MDPU that the proposed long-term contracts are cost-effective. Section 83d further requires the EDCs to jointly seek proposals for cost effective clean energy (hydro and other) long-term contracts via one or more staggered solicitations, the first of which shall be issued not later than April 1, 2017, for a total of 9,450,000 megawatt-hours by December 31, 2022. Emergency regulations implementing these new provisions, 220 C.M.R. § 23.00 et seq. and 220 C.M.R. § 24.00 et seq. were adopted by the MDPU on December 29, 2016, and adopted as final regulations on March 8, 2017. On February 2, 2017, the EDCs filed for approval of the RFP process pursuant to Section 83d, which was approved by the MDPU on March 27, 2017. On March 31, 2017, the EDCs issued the RFP for Long-Term Contracts for Clean Energy Projects, pursuant to Section 83d.

Fitchburg – Clean Energy RFP – Pursuant to Section 83a of the Green Communities Act in Massachusetts and similar clean energy directives established in Connecticut and Rhode Island, state agencies and the electric distribution companies in the three states, including Fitchburg, issued an RFP for clean energy resources (including Class I renewable generation and large hydroelectric generation) in November 2015. The RFP sought proposals for clean energy and transmission projects that can deliver new renewable energy to the three states. Project proposals were received in January 2016 and joint evaluation activities are ongoing. Selection of contracts concluded during the fourth quarter of 2016 and contract negotiations have been ongoing for several proposed projects. Fitchburg’s final contracts will be subject to review and approval of the MDPU.

Fitchburg – Other – On January 31, 2017, the Massachusetts Department of Energy Resources (“DOER”) presented its final solar incentive program design, called Solar Massachusetts Renewable Target (“SMART”) in accordance with Chapter 75 of the Acts of 2016 which directed the DOER to develop a statewide solar incentive program to encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental and industrial electricity customers throughout the commonwealth. The program would replace the state’s expiring solar incentive program, which uses solar renewable energy credits (“SRECs”) and is known as SREC-2, with a tariff program. The tariff would provide for incentive payments which would be net of energy value (i.e., total tariff rate minus value of energy). The program also includes a variety of tariff adders, including incentives for location, such as landfill site, for off-takers, such as a community aggregation program, and for other technologies, such as behind-the-meter storage. Cost recovery of tariff payments and administrative costs may be made through a fixed, non-bypassable monthly charge to all distribution customers. The DOER's implementation schedule during 2017 includes filing emergency regulations, conducting a rulemaking to permanently promulgate emergency regulation, MDPU review of model tariffs, and final program implementation in January 2018.

On May 11, 2016, the MDPU issued an Order commencing a rulemaking proceeding to adopt emergency regulations amending 220 C.M.R. § 18.00 et seq. ("Net Metering Regulations"). Specifically, the MDPU amended its Net Metering Regulations to implement the net metering provisions of An Act Relative to Solar Energy, St. 2016, c. 75, §§ 3-9, and to make additional clerical changes to the Net Metering Regulations. On July 15, 2016, the MDPU issued an order approving Final Net Metering Regulations. Fitchburg's tariff, filed in compliance with the new regulations, was approved on February 7, 2017.

In December 2013, the MDPU opened an investigation into Modernization of the Electric Grid. The stated objective of the Grid Modernization proceeding is to ensure that the electric distribution companies "adopt grid modernization policies and practices." In June 2014, the MDPU issued its first Grid Modernization order, setting forth a requirement that each electric distribution company submit a ten-year strategic Grid Modernization Plan (GMP). As part of the GMP, each company must include a five-year Short-Term Investment Plan (STIP), which must include an approach to achieving advanced metering functionality within five years of the Department's approval of the GMP. The filing of a GMP is a recurring obligation and must be updated as part of subsequent base distribution rate cases, which by statute must occur no less often than every five years. Capital investments contained in the STIP are eligible for pre-authorization, meaning that the MDPU will not revisit in later filings whether the Company should have proceeded with these investments. Fitchburg and the Commonwealth's three other electric distribution companies filed their initial GMPs on August 19, 2015. These filings are currently under MDPU review and remain pending.

On January 28, 2016 the MDPU approved Fitchburg's Three-Year Energy Efficiency Plan for 2016-2018, subject to limited modifications and directives in the Order. The Department found that the savings goals included in each Three-Year Plan are reasonable and are consistent with the achievement of all available cost-effective energy efficiency; approved each Program Administrator's program implementation cost budget for the Three-Year Plans; approved the performance incentive pool, mechanism, and payout rates; found that all proposed energy efficiency programs are cost-effective; found that funding sources are reasonable and that each Program Administrator may recover the funds to implement its energy efficiency plan through its Energy Efficiency Surcharge; and found that each Program Administrator's Three-Year Plan is consistent with the Green Communities Act, the Guidelines, and Department precedent.

FERC Transmission Formula Rate Proceedings – Pursuant to Section 206 of the Federal Power Act, there are several pending proceedings before the FERC concerning the justness and reasonableness of the Return on Equity ("ROE") component of the ISO-New England, Inc. Participating Transmission Owners' Regional Network Service and Local Network Service formula rates. On April 14, 2017, the U.S. Court of Appeals for the D.C. Circuit issued an opinion vacating a decision of the FERC with respect to these formula rates, and remanded it for further proceedings. The FERC had found that the Transmission Owners existing ROE was unlawful, and had set a new ROE. The Court found that the FERC had failed to articulate a satisfactory explanation for its orders. It is not certain at this time whether the remand of the decision by the Court will result in the setting by FERC of a new ROE at a level higher, lower or equal to the existing ROE. Fitchburg and Unitil Energy are Participating Transmission Owners, although Unitil Energy does not own transmission plant. To the extent that these proceedings result in any changes to the rates being charged, a retroactive reconciliation may be required. The Company does not believe that these proceedings will have a material adverse impact on the Company's financial condition or results of operations.

Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. The Company believes, based upon information furnished by counsel and others, that the ultimate resolution of these claims will not have a material impact on its financial position, operating results or cash flows.

In early 2009, a putative class action complaint was filed against Unitil's Massachusetts based utility, Fitchburg, in Massachusetts' Worcester Superior Court (the "Court"), (captioned Bellermann et al v. Fitchburg Gas and Electric Light Company). The Complaint seeks an unspecified amount of damages, including the cost of temporary housing and alternative fuel sources, emotional and physical pain and suffering and property damages allegedly incurred by customers in connection with the loss of electric service during the ice storm in Fitchburg's service territory in December 2008. The Massachusetts Supreme Judicial Court issued an order denying class certification status in July 2016, though the plaintiffs' individual claims remain pending. The Company continues to believe that this suit is without merit and will continue to defend itself vigorously. The Town of Lunenburg filed a separate action in the Court arising out of the December 2008 ice storm. The Court granted the Company's Motion for Summary Judgment on all counts in December 2016 and dismissed the Town's complaint. The Court's decision remains subject to a potential motion for reconsideration and appeal. The Company believes, based upon information furnished by counsel and others, that the ultimate resolution of these suits will not have a material impact on its financial position, operating results or cash flows.

NOTE 7 – ENVIRONMENTAL MATTERS

UNITIL'S ENVIRONMENTAL MATTERS ARE DESCRIBED IN NOTE 8 TO THE FINANCIAL STATEMENTS IN ITEM 8 OF PART II OF UNITIL CORPORATION'S FORM 10-K FOR DECEMBER 31, 2016 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON FEBRUARY 2, 2017.

The Company's past and present operations include activities that are generally subject to extensive and complex federal and state environmental laws and regulations. The Company is in material compliance with applicable environmental and safety laws and regulations and, as of March 31, 2017, has not identified any material losses reasonably likely to be incurred in excess of recorded amounts. However, we cannot assure that significant costs and liabilities will not be incurred in the future. 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. Based on the Company's current assessment of its environmental responsibilities, existing legal requirements and regulatory policies, the Company does not believe that these environmental costs will have a material adverse effect on the Company's consolidated financial position or results of operations.

Northern Utilities Manufactured Gas Plant Sites – Northern Utilities has an extensive program to identify, investigate and remediate former manufactured gas plant (MGP) sites, which were operated from the mid-1800s through the mid-1900s. In New Hampshire, MGP sites were identified in Dover, Exeter, Portsmouth, Rochester and Somersworth. In Maine, Northern Utilities has documented the presence of MGP sites in Lewiston and Portland, and a former MGP disposal site in Scarborough.

Northern Utilities has worked with the Maine Department of Environmental Protection (ME DEP) and New Hampshire Department of Environmental Services (NH DES) to address environmental concerns with these sites. Northern Utilities or others have substantially completed remediation of the Exeter, Rochester, Dover, Somersworth, Portsmouth, Lewiston, Portland and Scarborough sites, though on site monitoring continues and it is possible that future activities may be required.

The NHPUC and MPUC have approved regulatory mechanisms for the recovery of MGP environmental costs. For Northern Utilities' New Hampshire division, the NHPUC has approved the recovery of MGP environmental costs over succeeding seven-year periods. For Northern Utilities' Maine division, the MPUC has authorized the recovery of environmental remediation costs over succeeding five-year periods.

The Environmental Obligations table below shows the amounts accrued for Northern Utilities related to estimated future cleanup costs associated with Northern Utilities' environmental remediation obligations for former MGP sites. Corresponding Regulatory Assets were recorded to reflect that the future recovery of these environmental remediation costs is expected based on regulatory precedent and established practices.

Fitchburg's Manufactured Gas Plant Site – Fitchburg has worked with the Massachusetts Department of Environmental Protection (MA DEP) to address environmental concerns with the former MGP site at Sawyer Passway, and has substantially completed remediation activities, though on site monitoring will continue and it is possible that future activities may be required.

The Environmental Obligations table below shows the amounts accrued for Fitchburg related to estimated future cleanup costs for permanent remediation of the Sawyer Passway site with a corresponding Regulatory Asset recorded to reflect that the recovery of these environmental remediation costs are probable through the regulatory process. The amounts recorded do not assume any amounts are recoverable from insurance companies or other third parties. Fitchburg recovers the environmental response costs incurred at this former MGP site in gas rates pursuant to the terms of a cost recovery agreement approved by the MDPU. Pursuant to this agreement, Fitchburg is authorized to amortize and recover environmental response costs from gas customers over succeeding seven-year periods.

The following table sets forth a summary of changes in the Company's liability for Environmental Obligations for the three months ended March 31, 2017 and 2016.

Environmental Obligations

	($ millions)					
	Fitchburg		Northern Utilities		Total	
	Three months ended March 31,					
	2017	2016	2017	2016	2017	2016
Total Balance at Beginning of Period	**$ 0.1**	$ 1.2	**$1.9**	$1.6	**$2.0**	$2.8
Additions	**—**	—	**0.4**	1.0	**0.4**	1.0
Less: Payments / Reductions	**—**	—	**0.1**	1.1	**0.1**	1.1
Total Balance at End of Period	**0.1**	1.2	**2.2**	1.5	**2.3**	2.7
Less: Current Portion	**0.1**	0.2	**0.4**	0.5	**0.5**	0.7
Noncurrent Balance at End of Period	**$—**	$ 1.0	**$1.8**	$1.0	**$1.8**	$2.0

NOTE 8: INCOME TAXES

The Company filed its tax returns for the year ended December 31, 2015 with the Internal Revenue Service in September 2016 and generated additional federal net operating loss (NOL) carryforward assets principally due to current tax repair deductions, tax depreciation and research and development deductions. As of December 31, 2016, the Company had recorded cumulative federal and state NOL carryforward assets of $23.9 million to offset against taxes payable in future periods. If unused, the Company's NOL carryforward assets will begin to expire in 2029. In addition, at December 31, 2016, the Company had $3.4 million of cumulative alternative minimum tax credits, general business tax credit and other state tax credit carryforwards to offset future income taxes payable.

The Company evaluated its tax positions at March 31, 2017 in accordance with the FASB Codification, and has concluded that no adjustment for recognition, derecognition, settlement and foreseeable future events to any tax liabilities or assets as defined by the FASB Codification is required. The Company remains subject to examination by Federal, Maine, Massachusetts, and New Hampshire tax authorities for the tax periods ended December 31, 2013; December 31, 2014; and December 31, 2015.

The Company bills its customers for sales tax in Massachusetts and Maine and consumption tax in New Hampshire. These taxes are remitted to the appropriate departments of revenue in each state and are excluded from revenues on the Company's unaudited Consolidated Statements of Earnings.

NOTE 9: RETIREMENT BENEFIT OBLIGATIONS

The Company co-sponsors the Unitil Corporation Retirement Plan (Pension Plan), the Unitil Retiree Health and Welfare Benefits Plan (PBOP Plan), and the Unitil Corporation Supplemental Executive Retirement Plan (SERP) to provide certain pension and postretirement benefits for its retirees and current employees. Please see Note 10 to the Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2016 as filed with the SEC on February 2, 2017 for additional information regarding these plans.

The following table includes the key weighted average assumptions used in determining the Company's benefit plan costs and obligations:

	2017	2016
Used to Determine Plan Costs		
Discount Rate	**4.10%**	4.30%
Rate of Compensation Increase	**3.00%**	3.00%
Expected Long-term rate of return on plan assets	**7.75%**	8.00%
Health Care Cost Trend Rate Assumed for Next Year	**8.00%**	7.00%
Ultimate Health Care Cost Trend Rate	**4.00%**	4.00%
Year that Ultimate Health Care Cost Trend Rate is reached	**2025**	2022

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The following table provides the components of the Company's Retirement plan costs ($000's):

Three Months Ended March 31,	Pension Plan 2017	Pension Plan 2016	PBOP Plan 2017	PBOP Plan 2016	SERP 2017	SERP 2016
Service Cost	**$ 824**	$ 851	**$ 744**	$ 652	**$ 115**	$ 41
Interest Cost	**1,514**	1,486	**978**	808	**98**	96
Expected Return on Plan Assets	**(1,819)**	(1,814)	**(337)**	(301)	**—**	—
Prior Service Cost Amortization	**66**	66	**350**	372	**47**	47
Actuarial Loss Amortization	**1,176**	1,099	**524**	262	**74**	94
Sub-total	**1,761**	1,688	**2,259**	1,793	**334**	278
Amounts Capitalized and Deferred	**(662)**	(610)	**(1,037)**	(737)	**—**	—
Net Periodic Benefit Cost Recognized	**$ 1,099**	$ 1,078	**$ 1,222**	$1,056	**$334**	$278

Employer Contributions

As of March 31, 2017, the Company had made $1.4 million and $0.4 million of contributions to its Pension Plan and PBOP Plan, respectively, in 2017. The Company, along with its subsidiaries, expects to continue to make contributions to its Pension and PBOP Plans in 2017 and future years at minimum required and discretionary funding levels consistent with the amounts recovered in the distribution utilities' rates for these Pension and PBOP Plan costs.

As of March 31, 2017, the Company had made $8,500 of benefit payments under the SERP Plan in 2017. The Company presently anticipates making an additional $25,600 of benefit payments under the SERP Plan in 2017.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to the "Interest Rate Risk" and "Commodity Price Risk" sections of Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" (above).

Item 4. Controls and Procedures

Management of the Company, under the supervision and with the participation of the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2017. Based upon this evaluation, the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer concluded as of March 31, 2017 that the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) are effective.

There have been no changes in the Company's internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. The Company plans to implement a new customer information system in 2017.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in legal and administrative proceedings and claims of various types, which arise in the ordinary course of business. Certain specific matters are discussed in Notes 6 and 7 to the unaudited Consolidated Financial Statements. In the opinion of Management, based upon information furnished by counsel and others, the ultimate resolution of these claims will not have a material impact on the Company's financial position.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Form 10-K for the year-ended December 31, 2016 as filed with the SEC on February 2, 2017.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

There were no sales of unregistered equity securities by the Company during the fiscal quarter ended March 31, 2017.

Issuer Purchases of Equity Securities

Pursuant to the written trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), adopted and announced by the Company on May 2, 2016, the Company will periodically repurchase shares of its Common Stock on the open market related to Employee Length of Service Awards and the stock portion of the Directors' annual retainer for those Directors who elected to receive common stock. There is no pool or maximum number of shares related to these purchases; however, the trading plan will terminate when $75,000 in value of shares have been purchased or, if sooner, on May 2, 2017.

The Company may suspend or terminate this trading plan at any time, so long as the suspension or termination is made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, or other applicable securities laws.

The following table shows information regarding repurchases by the Company of shares of its common stock pursuant to the trading plan for each month in the quarter ended March 31, 2017.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
1/1/17 – 1/31/17	—	—	—	$ 7,226
2/1/17 – 2/28/17	—	—	—	$ 7,226
3/1/17 – 3/31/17	126	$ 44.90	126	$ 1,569
Total	126	$ 44.90	126	

Item 5. Other Information

On April 27, 2017, the Company issued a press release announcing its results of operations for the three-month period ended March 31, 2017. The press release is furnished with this Quarterly Report on Form 10-Q as Exhibit 99.1.

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Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit	Reference
10.1	Amended and Restated Unitil Corporation Supplemental Executive Retirement Plan	Filed herewith
11	Computation in Support of Earnings Per Average Common Share	Filed herewith
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.3	Certification of Chief Accounting Officer Pursuant to Rule 13a-14 of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certifications of Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Unitil Corporation Press Release Dated April 27, 2017 Announcing Earnings For the Quarter Ended March 31, 2017.	Filed herewith
101.INS	XBRL Instance Document.	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema Document.	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	UNITIL CORPORATION
	(Registrant)
Date: April 27, 2017	/s/ Mark H. Collin
	Mark H. Collin Chief Financial Officer
Date: April 27, 2017	/s/ Laurence M. Brock
	Laurence M. Brock Chief Accounting Officer

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Exhibit 10.1

UNITIL CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
AS ADOPTED BY UNITIL SERVICE CORP.

(as amended and restated effective December 31, 2016)

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Article 1
PURPOSE AND INTENT

The principal objective of the Unitil Corporation Supplemental Executive Retirement Plan As Adopted By Unitil Service Corp. (the “Plan”) is to ensure the payment of a competitive level of retirement income in order to attract, retain and motivate selected executives. The Plan was designed to provide supplements to designated employees which, when combined with other employment related and government sponsored retirement benefits, will provide for the aggregate level of retirement benefits specified herein. The Plan is intended to be “a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, and shall be interpreted and administered in a manner consistent therewith.

The Plan was originally established and adopted effective January 1, 1987, and was amended and restated effective January 1, 1998 and again effective December 31, 2007. The Plan is hereby further amended and restated in its entirety, effective December 31, 2016.

Article 2
DEFINITIONS

Whenever used herein, unless the context clearly indicates otherwise, the following words and phrases shall have the meanings herein specified, and the following definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined. The masculine pronoun whenever used herein shall include the feminine and neuter genders and the singular number as used herein shall include the plural, and the plural the singular, unless the context clearly indicates a different meaning.

2.1 "Basic Plan" shall mean the Unitil Corporation Retirement Plan as adopted, and from time to time amended, by the Employer.

2.2 "Basic Plan Benefit" shall mean the annual amount of benefit payable from the Basic Plan to a Participant in the form of a straight life annuity.

2.3 "Beneficiary" shall mean the individual designated by the Participant to receive payments upon the death of a Participant in accordance with Article 8.

2.4 "Board of Directors" shall mean the Board of Directors of Unitil Corporation or any successor thereof.

2.5 "Change in Control" shall mean the occurrence of any of the following:

(a) Unitil Corporation receives a report on Schedule 13D filed with the Securities and Exchange Commission pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (hereinafter referred to as the "Exchange Act"), disclosing that any person, group, corporation or other entity is the beneficial owner, directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil Corporation;

(b) any person (as such term is defined in Section 13(d) of the Exchange Act), group, corporation or other entity other than Unitil Corporation or a wholly-owned subsidiary of Unitil Corporation, purchases shares pursuant to a tender offer or exchange offer to acquire any common stock of Unitil Corporation (or securities convertible into common stock) for cash, securities or any other consideration, provided that after consummation of the offer, the person, group, corporation or other entity in question is the beneficial owner (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of twenty-five (25%) percent or more of the outstanding common stock of Unitil Corporation (calculated as provided in paragraph (d) of Rule 13d-3 under the Exchange Act in the case of rights to acquire common stock);

(c) the stockholders of Unitil Corporation approve (i) any consolidation or merger of Unitil Corporation in which Unitil Corporation is not the continuing or surviving corporation or pursuant to which shares of common stock of Unitil Corporation would be converted into cash, securities or other property (except where Unitil Corporation shareholders before such transaction will be the owners of more than seventy-five (75%) percent of all classes of voting stock of the surviving entity), or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of Unitil Corporation; or

(d) there shall have been a change in a majority of the members of the Board of Directors within a twenty-five (25) month period unless the election or nomination for election by the Unitil Corporation stockholders of each new director was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the twenty-five (25) month period.

Should the Change in Control be stockholder approval under paragraph 2.5(c) and if the Board of Directors determines the approved transaction will not be completed and is abandoned prior to any termination of the Participant’s employment, a Change in Control shall no longer be in effect and the provisions of the Plan shall continue in effect as if a Change in Control had not occurred.

2.6 “Change in Control Participant” shall have the meaning given to that term in Section 9.1.

2.7 “Early Retirement Date” shall mean the first day of the month in which the Participant has both attained age fifty-five (55) and completed fifteen (15) years of Service (excluding Service completed prior to age eighteen (18)).

2.8 “Employer” shall mean Unitil Service Corp. and any affiliated employer and any successor company which may continue the Plan.

2.9 “Final Average Earnings” shall mean the highest twelve (12) month average of the sum of base salary plus cash incentive payments received by a Participant, calculated by determining the thirty-six (36) consecutive month period of the last one hundred twenty (120) months of his tenure as an employee with the Employer during which he received the highest sum of base salary plus cash incentive payments, and then dividing that sum by three (3).

2.10 “Normal Retirement Date” shall mean the first day of the month in which occurs the Participant’s 65th birthday.

2.11 “Other Retirement Income” shall mean the retirement income payable to a Participant from the following sources as of the date the Participant’s benefits commence under the Plan:

(a) the straight life annuity equivalent of the value of the total contributions, but not including a Participant’s salary deferral contributions, made by the Employer under the Unitil Corporation Tax Deferred Savings and Investment Plan on behalf of the Participant during such Participant’s employment at the Employer; and

(b) retirement income in the form of a straight life annuity payable to a Participant from any previous employers.

In determining the straight life annuity equivalent under this Section 2.11, the following actuarial assumptions shall be used: the interest rate or rates and table used by the Pension Benefit Guaranty Corporation to value immediate annuities (as of the beginning of the calendar year in which the determination is being made) under Section 4062 of the Employee Retirement Income Security Act of 1974.

2.12 “Participant” shall mean an employee of the Employer who is designated by the Board of Directors to participate in the Plan.

2.13 “Plan” shall mean the Unitil Corporation Supplemental Executive Retirement Plan As Adopted By Unitil Service Corp. and as set forth in this document and as may be amended from time to time.

2.14 “Primary Social Security Benefit” shall mean the annual primary insurance amount to which the Participant is entitled or would, upon application therefor, be entitled at the later of age 65 or actual retirement under the provisions of the Federal Social Security Act as in effect on the Participant's termination date assuming that the Participant will have no income after termination which would be treated as wages for purposes of the Social Security Act.

2.15 "Retirement Date" shall mean the first to occur of the Participant's Normal Retirement Date or Early Retirement Date.

2.16 "Service" shall mean a Participant's years of Credited Service as defined in the Basic Plan for benefit calculation purposes, provided that, except as provided in Section 7.2, no Service shall be credited to a Participant subsequent to his termination of Participation pursuant to Section 4.2.

Article 3
ADMINISTRATION

The Plan shall be administered by the Board of Directors. The Board of Directors shall have the authority to interpret the provisions of the Plan and decide all questions and settle all disputes which may arise in connection with the Plan, all in the sole exercise of its discretion. The Board of Directors may establish operative and administrative rules and procedures in connection therewith, provided that such procedures are consistent with the requirements of section 503 of ERISA. All interpretations, decisions and determinations made by the Board of Directors shall be final, conclusive and binding on all persons concerned. No member of the Board of Directors who is a Participant may vote or otherwise participate in any decision or act with respect to a matter relating to himself or his beneficiaries.

Article 4
PARTICIPATION

4.1 Participation. The Participants in the Plan shall be those "management" or "highly compensated" employees within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA who shall be employees of the Employer and who shall be selected from time to time by the Board of Directors. Unless selected by the Board of Directors in the sole exercise of its discretion, no employee of the Employer shall have a right to become a Participant in the Plan. Notwithstanding anything herein to the contrary, upon a Change in Control, no new Participants may be added to the Plan.

4.2 Termination of Participation. A Participant's participation in the Plan shall end upon his termination of service with the Employer for any reason or his ceasing to be a management or highly compensated employee within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. In addition, subject to Section 7.2, the Board of Directors may terminate an employee's participation in the Plan.

Article 5
ELIGIBILITY FOR BENEFITS

5.1 Eligibility for Retirement Benefits. A Participant shall be eligible to receive a benefit under the Plan if (a) the Participant's employment terminates on or after his Retirement Date or (b) a Change in Control has occurred. Benefits shall be determined in accordance with Article 6 or Article 9, as the case may be, and shall commence in accordance with Article 7.

5.2 Eligibility for Pre-Retirement Death Benefits. The Beneficiary of each Participant who dies before commencement of benefits pursuant to Section 7.1 or Section 7.2, as the case may be, but after either (a) a Change in Control or (b) completing at least five years of Service shall be eligible to receive the benefit described in Article 8.

5.3 Termination Prior to Retirement. Except as otherwise provided in Section 5.2 and Article 9, no benefits are payable under the Plan if a Participant's employment terminates for any reason, including death, prior to the Participant's Retirement Date.

Article 6
AMOUNT AND FORM OF RETIREMENT BENEFITS

6.1 Amount of Benefit. The annual retirement benefit payable to a Participant under the Plan whose termination of employment occurs on or after his Normal Retirement Date shall equal sixty percent (60%) of such Participant's Final Average Earnings reduced, but not below zero, by the sum of (a), (b) and (c) where

(a) equals the Basic Plan Benefit;

(b) equals the Other Retirement Income; and

(c) equals the Primary Social Security Benefit.

6.2 Early Retirement Benefit. The annual retirement benefit payable to a Participant under the Plan whose termination of employment occurs on or after his Early Retirement Date shall be determined in accordance with the provisions of Section 6.1 but shall be reduced by 5/12 of one percent (1%) for each full calendar month that the Participant's termination of employment precedes the month in which occurs the Participant's 60th birthday.

6.3 Form of Benefit. The retirement benefits determined under this Article 6 shall be payable as a monthly annuity for the life of a Participant unless the Participant has elected to receive reduced benefits in an optional form of payment.

The optional forms of payment available for election by a Participant under the Plan shall be the same as those provided under the Basic Plan, provided that any such election shall be made prior to the Participant's termination of employment. If an optional form of payment is elected, the benefits payable shall be the actuarial equivalent of the Participant's retirement benefits under the Plan. In determining actuarial equivalence, the actuarial reduction factors set forth in the Basic Plan used to convert a straight life annuity to an optional form of payment shall be used under the Plan.

Article 7
PAYMENT OF RETIREMENT BENEFITS

7.1 Termination on or after Retirement Date. Except as otherwise provided in Section 7.2 and Articles 8 and 12, all benefits payable under the Plan shall commence on the date of the Participant's termination of employment. Benefits will continue to be paid on the first day of each succeeding month. The last payment will be on the first day of the month in which the retired Participant dies unless the Participant has elected an optional form of payment in accordance with Section 6.3.

7.2 Termination before Retirement Date after a Change in Control. Except as otherwise provided in Articles 8 and 12, benefits payable to a Change in Control Participant pursuant to Article 9 shall commence on the earlier to occur of the following: (a) the date the Change in Control Participant could have received benefits under Section 6.1 or (b) the date the Change in Control Participant could have received benefits under Section 6.2, as the case may be, determined by assuming the Change in Control Participant had remained employed and continued to accrue additional years of Service after the date of employment termination. Benefits will continue to be paid on the first day of each succeeding month. The last payment will be on the first day of the month in which the retired Change in Control Participant dies unless the Change in Control Participant has elected an optional form of payment in accordance with Section 6.3. For avoidance of doubt, if a Participant's employment terminates on or after the Participant's Retirement Date, the Participant's benefits shall be determined pursuant to Article 6 and shall be paid pursuant to Section 7.1, whether or not a Change in Control has occurred.

Article 8
DEATH BENEFIT

8.1 Amount. A Beneficiary described in Section 5.2 shall receive an annuity for life determined in accordance with the surviving spouse benefit provision of the Basic Plan (other than the requirement that such benefit may only be paid to the surviving spouse) and the relevant provisions of Article 6 or, after a Change in Control, Article 9.

8.2 Commencement. The benefit described in Section 8.1 shall commence as of the first day of the month following the later of (a) the date the Participant dies or (b) the Participant's Retirement Date.

Article 9
CHANGE IN CONTROL

9.1 Eligibility for Change in Control Benefits. Notwithstanding anything contained herein to the contrary, if a Change in Control occurs, Participants in the Plan as of the date of the Change in Control shall be entitled to receive benefits determined in accordance with this Article 9 if the Participant's employment terminates prior to the Participant's Retirement Date (a "Change in Control Participant").

9.2 Amount of Change in Control Benefit. A Change in Control Participant's benefit payable pursuant to this Article 9 shall be determined in accordance with the provisions of (a) Section 6.1, if, pursuant to Section 7.2, the Change in Control Participant's benefits commence on the first date the Participant could have received benefits under Section 6.1 or (b) Section 6.2, if, pursuant to Section 7.2, the Change in Control Participant's benefits commence on the first date the Participant could have received benefits under Section 6.2.

9.3 Payment of Change in Control Benefit. A Change in Control Participant's benefits shall be paid in accordance with Section 7.2.

Article 10
Forfeiture of Benefits

Notwithstanding anything herein to the contrary, if a Participant or Beneficiary who is receiving, or may be entitled to receive, a benefit hereunder engages in competition with the Employer or any affiliated employer (without prior authorization of the Board of Directors) or is discharged for cause, or performs acts of willful malevolence or gross negligence in a matter of material importance to the Employer or any affiliated employer, payments thereafter payable hereunder to such Participant or Beneficiary shall, at the discretion of the Board of Directors, be forfeited and the Employer shall have no further obligation hereunder to such Participant or Beneficiary, provided, however, that no action by the Board of Directors pursuant to this Article 10 shall have any effect on the benefits that a Change in Control Participant is otherwise entitled to receive hereunder.

Article 11
NATURE OF CLAIM FOR PAYMENTS

Benefits under the Plan shall be paid from the general assets of the Employer (which term, solely for the purposes of this Article 11, shall mean the Employer or any affiliated employer). The Plan shall be administered as an unfunded plan which is not intended to meet the qualification requirements of section 401 of the Internal Revenue Code of 1986, as amended (the "Code"). Neither a Participant nor his Beneficiary shall be entitled to receive any payment for benefits under the Plan from the qualified trust maintained for the Basic Plan. Should the Board of Directors elect to insure the Plan, in whole or in part, through the medium of life insurance or annuities, or both, the Employer shall be the owner and beneficiary of any insurance or annuity contracts. The Employer reserves the absolute right, in its sole discretion, to terminate such life insurance or annuities, as well as any other program, at any time, either in whole or in part. At no time shall the Participant be deemed to have any right, title, or interest in or in any specified asset or assets of the Employer, including, but not by way of restriction, any insurance or contract or contracts or the proceeds therefrom. Any such policy shall not in any way be considered to be security for the performance of the obligations of the Employer under the Plan. If the Employer decides to purchase a life insurance or annuity policy on the life of the Participant, he shall sign any papers that may be required for that purpose and undergo any medical examination or tests which may be necessary.

Article 12
CODE SECTION 409A

The provisions of the Plan and all payments made pursuant to the Plan are intended to comply with, and should be interpreted so that they are consistent with, the requirements of Section 409A of the Code, and any related regulations or other applicable guidance promulgated thereunder (collectively, "Section 409A"). If the Participant is a "specified employee," as determined under the Employer's policy for determining specified employees, on the date on which the Participant's termination of employment occurs, the Participant's benefits shall not be paid or commence until the first business day after the date that is six months following the Participant's termination of employment or, if the Participant dies during such six month period, on the first business day after the date of the Participant's death. The first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the Federal short-term rate determined under Section 1274(d) of the Code (as in effect on the date of the separation from service or, if such date is not a business day, the first business day prior to such date) on all payments not paid to the Participant prior to the first business day after the sixth month anniversary of termination of employment that otherwise would have been paid during such six-month period had this delay provision not applied to the Participant and shall be paid with the first payment after such six-month period. For all purposes under the Plan, references to termination of employment or words of similar import shall be interpreted to mean "separation from service," as that term is used in Section 409A, and the Participant's employment shall in no event be deemed to have terminated unless and until a separation from service shall have occurred for purposes of Section 409A.

Article 13
NO ASSIGNMENT OR ALIENATION

The interest hereunder of any Participant or Beneficiary shall not be alienable by the Participant or Beneficiary by assignment or any other method and shall not be subject to be taken by his creditors by any process whatsoever, and any attempt to cause such interest to be so subjected shall not be recognized, except to such extent required by law.

Article 14
NO CONTRACT OF EMPLOYMENT

The Plan shall not be deemed to constitute a contract of employment between the Employer and any Participant, or to be consideration for the employment of any Participant. Neither the action of establishing the Plan for the Employer nor any action taken by or on behalf of the Employer or by the Board of Directors under the provisions hereof, nor any provision of the Plan, shall be construed as giving to any Participant the right to be retained in its employ or any right to any payment whatsoever except to the extent of the benefits provided for by the Plan. The Employer expressly reserves its right at any time to dismiss any Participant without liability for any claim against the Employer or for any claim for any payment whatsoever, except to the extent provided for in the Plan.

Article 15
CLAIMS AND APPEAL **PROCEDURE**S

In the event that benefits under the Plan are not paid to a Participant or his Beneficiary or contingent annuitant (each a "Claimant") and the Claimant believes he is entitled to receive them, the Claimant (this will also include, for the purposes of these procedures, any representative authorized by the Claimant) may file a claim in writing with the Employer. If such claim is denied in whole or in part, the Claimant will be provided with written notification within ninety (90) days after such claim is received by the Employer. The written notice will (a) set forth the specific reasons for denying the claim; (b) make reference to the specific portions of the Plan that resulted in the denial of the claim; (c) describe any additional material or information still required from the Claimant to complete the claim; and (d) explain the claims review procedures and applicable time limits.

If special circumstances require more time for the Employer to process such claim, the Employer will provide the Claimant a notice before the end of the first ninety (90) days after the claim is received. This notice will explain the reasons for the extension and the date a decision is expected. The extension will not be for more than ninety (90) days.

If such claim is denied by the Employer, the Claimant will have sixty (60) days to request a review. The Claimant will have a right to a reasonable opportunity for full and fair review of the adverse determination. The Claimant may submit any and all written comments, documents, records and other information relating to the claim. The Employer will take into account all comments, documents, records and information the Claimant has submitted, regardless of whether or not they were submitted or considered in the original determination. The Claimant will be provided, upon request and free of charge, access to and copies of documents, records and other information relevant to the claim.

The Employer will notify the Claimant of the decision on review within sixty (60) days after the Employer received the request for review, unless special circumstances make an extension of time necessary for the Employer to process the review (for example, if a hearing is deemed necessary). In that case, the Employer will notify the Claimant of the decision on review not later than one hundred twenty (120) days after the Employer first received the request for review. If such an extension of time for review is required, written notice of the extension will be furnished to the Claimant before the end of the first sixty (60) days, and will include the reasons for the extension and the date the decision is expected. If the extension is due to the Claimant's failure to submit information necessary to decide the claim, the period for making the benefit determination will be tolled from the date on which the notification of the extension is sent to the Claimant until the date the Claimant responds to the request for information.

Any notice of the Employer's adverse determination of such claim on appeal will set forth the specific reasons for the adverse decision on such appeal and will reference the specific portions of the Plan on which the adverse decision is based. The Claimant will be notified of his rights to access relevant documents, as well as information on further steps that the Claimant is entitled to take.

An adverse decision of the Employer on a claim may be appealed by the Claimant to a court of competent jurisdiction.

Article 16
AMENDMENT

The Plan may be altered, amended or revoked in writing by the Board of Directors at any time; provided, however, that no such alteration, amendment or revocation (a) that adversely affects a Participant's or Beneficiary's vested benefits under the Plan shall be made without the prior written consent of the Participant or Beneficiary so affected, or (b) that is made after a Change in Control shall be made without the prior written consent of all Participants or Beneficiaries then entitled to benefits hereunder.

Article 17
GOVERNING LAW

The Plan shall be governed and construed in accordance with the laws of the State of New Hampshire except to the extent preempted by federal law.

Article 18
SUCCESSORS

The provisions of the Plan shall bind and inure to the benefit of the Employer and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Employer, and successors of any such corporation or other business entity.

UNITIL CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING

($ Millions, except for per share data)

(UNAUDITED)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net Income	**$ 12.4**	$ 10.9
Less: Dividend Requirements on Preferred Stock	**—**	—
Net Income Applicable to Common Stock	**$ 12.4**	$ 10.9
Weighted Average Number of Common Shares Outstanding – Basic (000’s)	**14,042**	13,968
Dilutive Effect of Stock Options and Restricted Stock (000’s)	**6**	5
Weighted Average Number of Common Shares Outstanding – Diluted (000’s)	**14,048**	13,973
Earnings Per Share – Basic	**$ 0.88**	$ 0.78
Earnings Per Share – Diluted	**$ 0.88**	$ 0.78

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Schoenberger, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ Robert G. Schoenberger

Robert G. Schoenberger
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark H. Collin, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ Mark H. Collin

Mark H. Collin
Chief Financial Officer

Exhibit 31.3

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence M. Brock, certify that:

1) I have reviewed this quarterly report on Form 10-Q of Unitil Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal controls over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 27, 2017

/s/ Laurence M. Brock

Laurence M. Brock
Chief Accounting Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unitil Corporation (the "Company") on Form 10-Q for the period ending March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned Robert G. Schoenberger, Chief Executive Officer and President, Mark H. Collin, Chief Financial Officer and Laurence M. Brock, Chief Accounting Officer, certifies, to the best knowledge and belief of the signatory, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Signature	Capacity	Date
/s/ Robert G. Schoenberger Robert G. Schoenberger	Chief Executive Officer and President	April 27, 2017
/s/ Mark H. Collin Mark H. Collin	Chief Financial Officer	April 27, 2017
/s/ Laurence M. Brock Laurence M. Brock	Chief Accounting Officer	April 27, 2017

FOR RELEASE

UNITIL REPORTS FIRST QUARTER EARNINGS

HAMPTON, N.H., APRIL 27, 2017 — Unitil Corporation (NYSE: UTL) (www.unitil.com) today announced Net Income of $12.4 million, or $0.88 per share, for the first quarter of 2017, an increase of $1.5 million, or $0.10 per share, compared to the first quarter of 2016. The Company's earnings in the first quarter of 2017 were driven by higher natural gas and electric sales margins, reflecting: higher distribution rates, customer growth and colder winter weather, compared to the first quarter of 2016.

"The colder weather in our service areas this winter compared to last year, combined with solid customer growth and an effective regulatory agenda all contributed to strong earnings in the first quarter," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "We continue to expand and upgrade our distribution infrastructure, due to strong economic growth in our service areas. We are well positioned for robust expansion in the years ahead."

Natural gas sales margin was $38.0 million in the three months ended March 31, 2017, resulting in an increase of $2.1 million compared to the same period in 2016. Gas sales margin in the first quarter of 2017 was positively affected by: higher natural gas distribution rates, the positive impact of colder winter weather on sales and customer growth. Total therm sales of natural gas increased 3.6% in the three months ended March 31, 2017 compared to the same period in 2016. Based on weather data collected in the Company's natural gas service areas, there were 5.4% more HDD in the first quarter of 2017 compared to the same period in 2016.

Electric sales margin was $22.0 million in the three months ended March 31, 2017, resulting in an increase of $1.9 million compared to the same period in 2016. Electric sales margin in the first quarter of 2017 was positively affected by higher electric distribution rates and customer growth.

Usource, the Company's non-regulated energy brokering business, recorded revenues of $1.7 million in the three months ended March 31, 2017, an increase of $0.1 million compared to the same period in 2016. Usource's revenues are primarily derived from fees billed to suppliers as customers take delivery of energy from those suppliers under term contracts brokered by Usource.

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Operation and Maintenance (O&M) expenses increased $0.2 million in the three months ended March 31, 2017 compared to the same period in 2016. The change in O&M expenses reflects higher compensation and benefit costs of $0.4 million, partially offset by lower utility operating costs of $0.2 million.

Depreciation, Amortization, Property Taxes and other expenses increased $1.2 million in the three months ended March 31, 2017 compared to the same period in 2016, reflecting higher depreciation and property taxes on higher utility plant assets in service.

Interest Expense, net increased $0.5 million in the three months ended March 31, 2017 compared to the same period in 2016, reflecting lower net interest income on net regulatory assets/liabilities and higher levels of short-term debt.

Income Taxes increased $0.7 million for the three months ended March 31, 2017, reflecting higher pre-tax earnings in the current period.

At its January 2017 and April 2017 meetings, the Unitil Corporation Board of Directors declared quarterly dividends on the Company's common stock of $0.36 per share. These quarterly dividends result in a current effective annual dividend rate to $1.44 per share, representing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

The Company's earnings are seasonal and are typically higher in the first and fourth quarters when customers use natural gas for heating purposes.

The Company will hold a quarterly conference call to discuss first quarter 2017 results on Thursday, April 27, 2017, at 2:00 p.m. Eastern Time. This call is being webcast and can be accessed in the Investor Relations section of Unitil's website, www.unitil.com.

About Unitil Corporation

Unitil Corporation provides energy for life by safely and reliably delivering natural gas and electricity in New England. We are committed to the communities we serve and to developing people, business practices, and technologies that lead to the delivery of dependable, more efficient energy. Unitil Corporation is a public utility holding company with operations in Maine, New Hampshire and Massachusetts. Together, Unitil's operating utilities serve approximately

104,300 electric customers and 79,900 natural gas customers. Other subsidiaries include Usource, Unitil's non-regulated business segment. For more information about our people, technologies, and community involvement please visit www.unitil.com.

Forward-Looking Statements

This press release may contain forward-looking statements. All statements, other than statements of historical fact, included in this press release are forward-looking statements. Forward-looking statements include declarations regarding Unitil's beliefs and current expectations. These forward-looking statements are subject to the 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 the following: Unitil's regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters); fluctuations in the supply of, the demand for, and the prices of, gas and electric energy commodities and transmission and transportation capacity and Unitil's ability to recover energy supply costs in its rates; customers' preferred energy sources; severe storms and Unitil's ability to recover storm costs in its rates; general economic conditions; variations in weather; long-term global climate change; Unitil's ability to retain its existing customers and attract new customers; increased competition; and other risks detailed in Unitil's filings with the Securities and Exchange Commission. These forward looking statements speak only as of the date they are made. Unitil undertakes no obligation, and does not intend, to update these forward-looking statements.

For more information please contact:

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Selected financial data for 2017 and 2016 is presented in the following table:

Unitil Corporation – Condensed Financial Data

(Millions, except Per Share and Shares Data) (Unaudited)

	Three Months Ended March 31,		
	2017	**2016**	**Change**
Gas Therm Sales:			
Residential	21.0	19.8	6.1%
Commercial/Industrial	64.9	63.1	2.9%
Total Gas Therm Sales	**85.9**	**82.9**	**3.6%**
Electric kWh Sales:			
Residential	176.2	175.4	0.5%
Commercial/Industrial	236.2	241.9	(2.4%)
Total Electric kWh Sales	**412.4**	**417.3**	**(1.2%)**
Gas Revenues	**$ 74.8**	**$ 73.1**	**$ 1.7**
Cost of Gas Sales	36.8	37.2	(0.4)
Gas Sales Margin	**38.0**	**35.9**	**2.1**
Electric Revenues	**49.5**	**51.1**	**(1.6)**
Cost of Electric Sales	27.5	31.0	(3.5)
Electric Sales Margin	**22.0**	**20.1**	**1.9**
Usource Revenues	**1.7**	**1.6**	**0.1**
Total Sales Margin	**61.7**	**57.6**	**4.1**
Operation & Maintenance Expenses	17.6	17.4	0.2
Depreciation, Amortization, Property Taxes & Other	18.0	16.8	1.2
Interest Expense, Net	6.0	5.5	0.5
Income Before Income Taxes	**20.1**	**17.9**	**2.2**
Income Tax Expense	7.7	7.0	0.7
Net Income	**$ 12.4**	**$ 10.9**	**$ 1.5**
Earnings Per Share	**$ 0.88**	**$ 0.78**	**$ 0.10**

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