

File No. 70-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

APPLICATION-DECLARATION

ON FORM U-1

UNDER THE

PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

UNITIL CORPORATION

6 Liberty Lane West

Hampton, New Hampshire 03842-1720

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

UNITIL CORPORATION

6 Liberty Lane West

Hampton, New Hampshire 03842-1720

(Name of top registered holding company parent)

Mark H. Collin
Senior Vice President, Chief Financial Officer & Treasurer
UNITIL CORPORATION
6 Liberty Lane West
Hampton, New Hampshire 03842-1720

(Name and address of agent for service)

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

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

ITEM 1. DESCRIPTION OF PROPOSED TRANSACTIONS

Unitil Corporation, a New Hampshire corporation ("Unitil" or "Applicant") and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "Act"), hereby submits this application-declaration on Form U-1 (the "Application-Declaration") to the Securities and Exchange Commission (the "Commission") for authorization and approval under Sections 6(a) and 7 of the Act with respect to the issuance of up to 177,500 shares of common stock, no par value ("Common Stock"), of Unitil under the Unitil Corporation 2003 Restricted Stock Plan (the "Plan"), such number of shares to be subject to adjustment in accordance with the provisions of the Plan.

The Plan was adopted by the Board of Directors of Unitil (the "Board") in January 2003 and became effective after the adoption was approved by Unitil's shareholders in April 2003. In accordance with the terms of the Plan, awards for shares of restricted stock may be granted under the Plan and are evidenced by an

Award Agreement, entered into by the participant and Unitil, setting forth the terms and provisions applicable to the award. Persons eligible to participate in the Plan include all employees, directors and consultants of Unitil, its subsidiaries and its affiliates (collectively, the "Unitil Companies"). The Company entered into the initial set of award agreements under the Plan with employees of the Unitil Companies in May 2003 relating to 10,600 shares, the restrictions on which begin to lapse in May 2004 in accordance with the terms of the Plan (described in detail below).

The aggregate maximum number of shares of restricted stock available for awards to participants under the Plan (including those subject to the initial set of awards) is 177,500.¹ The maximum aggregate number of shares of restricted stock 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 Unitil, the Compensation Committee of the Board (the "Compensation Committee") is authorized to make proportionate adjustments to prevent dilution or enlargement of rights, including, without limitation, an adjustment in the maximum number and kinds of shares available for awards and in the annual award limit.

The Plan is administered by the Compensation Committee. Except as limited by law or by the Articles of Incorporation or the By-laws of Unitil, and subject to the provisions of the Plan, the Compensation Committee shall have full power to select the persons who shall participate in the Plan; determine the sizes of awards; determine the terms and conditions of awards in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan as they apply to participants; establish, amend, or waive rules and regulations for the Plan's administration as they apply to participants; and, subject to the provisions of the 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 in the Plan.

¹ At the time that the Plan was adopted, Unitil also terminated its stock option plan previously approved by the Commission (Holding Co. Act release No. 26978 (Feb. 17, 1999)) under which 177,500 options and underlying shares of Common Stock remained authorized for issuance.

The objectives of the Plan are to optimize the profitability and growth of Unitil through incentives that are consistent with Unitil's goals and that link the personal interests of Plan participants to those of Unitil's shareholders, to attract and retain employees and directors of outstanding ability, and to promote teamwork among participants. The Plan shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time, until all shares subject to it shall have been purchased or acquired according to the Plan's provisions.

Awards under the Plan will vary each year based on the achievement of annual performance objectives that directly correlate with the annual performance objectives as defined by the Unitil Management Incentive Plan ("Incentive Plan"). Whereas the Incentive Plan provides cash incentive payments that are tied directly to achievement of Unitil's strategic goals, the Plan provides for awards for restricted shares of Common Stock that are tied directly to achievement of the Unitil's strategic goals. Annual performance objectives are established each year by the Board. The percentage of the target award that a Plan participant receives is also based upon subjective evaluations by the Compensation Committee, such as management's performance in capitalizing on unplanned opportunities and responding to unforeseen problems. Target grant awards have been established that vary based upon the grade level of each participant's position in the Unitil. The actual number of shares of Common Stock received under awards can be less than or greater than the target grant depending upon actual results achieved.

Awards will fully vest over a period of four (4) years (the "Period of Restriction") at a rate of 25% each year. During the Period of Restriction, the Plan provides that the restricted shares underlying the award may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated by the recipient and no share certificates are issued. Prior to the end of the Period of Restriction, the award of restricted shares shall be subject to forfeiture if the participant ceases to be employed by the Unitil Companies other than due to the participant's death. Awards may be subject to such additional restrictions as the Compensation Committee may determine to be appropriate and as are set forth in the particular Award Agreement. Subject to restrictions under applicable law or as may be imposed by the Unitil, restricted shares underlying each award made under the Plan shall become freely transferable by the Plan participant after the last day of the applicable Period of Restriction.

During the Period of Restriction, cash dividends paid on restricted shares underlying granted awards may be credited to the recipient's account. In the event any non-cash dividends or other distributions, whether in property, or in stock of another company, are paid on any restricted shares during the Period of Restriction, such non-cash dividends or other distributions shall be retained by Unitil until such time as the Period of Restriction has lapsed. In the event of forfeiture of the restricted shares, such non-cash dividend or other distributions shall be retained by Unitil.

Awards may be grossed-up to offset the participant's tax obligation in connection with the award. This gross-up feature was intended to prevent a participant from having to sell a portion of the shares granted in the award or previous awards in order to pay the taxes on the award, which would be a direct contradiction to one of the stated objectives of the Plan, which is to encourage stock ownership in Unitil. The Compensation Committee will take into account the value of the gross-up feature and reduce the size of the awards accordingly.

Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges, any restrictions and transfer limitations imposed on restricted shares shall immediately lapse.

The Board may at any time amend or terminate the Plan or any award granted under the Plan in whole or in part, that no amendment that requires shareholder approval in order for the Plan to continue to comply with any applicable tax or securities laws or regulations, or the rules of any securities exchange on which the securities of Unutil are listed, shall be effective unless such amendment shall be approved by the requisite vote of shareholders of Unutil and that no such amendment or termination shall adversely affect any award previously granted under the Plan without the consent of the participant.

Unutil is authorized under its articles of incorporation to issue 8,000,000 shares of common stock, and as of December 31, 2003, 5,500,610 shares of common stock were issued and outstanding/2 Unutil will file a registration statement on Form S-8 (the "Registration Statement") with the Commission in order to register this proposed offering under the Securities Act of 1933, as amended (the "Securities Act"), which registration statement will become effective upon filing in accordance with the rules promulgated by the Commission under the Securities Act.

At December 31, 2003, Unutil's unaudited consolidated capitalization ratio was approximately as follows: (in \$1,000)

Long-Term Debt	\$114,224	49.1%
Short-Term Debt	22,410	9.6
Preferred Stock	3,269	1.4
Common Stock	92,805	39.9
	-----	-----
Total	\$232,708	100.0%
	=====	=====

Assuming that all of the shares of Common Stock reserved for issuance under the Plan are issued and vested under the Plan, Unutil's consolidated capitalization ratios would have been approximately as follows: (in \$1,000)

Long-Term Debt	\$114,224	49.1%
Short-Term Debt	22,410	9.6
Preferred Stock	3,269	1.4
Common Stock	92,805	39.9
	-----	-----
Total	\$232,708	100.0%
	=====	=====

Unutil is requesting that the Commission approve the issuance of restricted stock under the Plan in accordance with its terms.

\2 For purposes of its GAAP balance sheet, Unutil has treated the shares underlying outstanding award agreements as outstanding.

The proposed transactions may be subject to Rules 53 and 54 under the Act. Neither Unitil nor any subsidiary thereof presently has, or as a consequence of the proposed transactions will have, an interest in any EWG or FUCO. None of the proceeds from the proposed transactions will be used to acquire any securities of, or any interest in, an EWG or FUCO. Consequently, all applicable requirements of Rule 53(a)-(c) under the Act are satisfied as required by Rule 54 under the Act.

ITEM 2. FEES, COMMISSIONS AND EXPENSES

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

Filing and Listing Fees	\$	*
Legal fees.....		*
Accounting Fees.....		*
Transfer Agent & Registrar Fees		*
Printing Fees.....		*
Miscellaneous.....		*
Total.....	\$	*

*To be filed by amendment

ITEM 3. APPLICABLE STATUTORY PROVISIONS

Sections 6(a) and 7 of the Act are directly applicable to this Application-Declaration.

ITEM 4. REGULATORY APPROVALS

No state or federal agency other than the Commission has jurisdiction with respect to any of the transactions for which authorization is sought hereby other than as described in this item. In order for the shares of Common Stock to be freely tradable once the relevant Restricted Period ends, the Commission must declare the Registration Statement to be effective under the Securities Act.

ITEM 5. PROCEDURE

It is requested that the Commission issue and publish no later than March 5, 2004 the requisite notice under Rule 23 with respect to this Application-Declaration; such notice specifying a date not later than March 31, 2004 as the date after which an order granting and permitting this Application-Declaration to become effective may be entered by the Commission and that the Commission enter not later than April 2, 2004, an appropriate order granting and permitting this Application-Declaration to become effective.

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

ITEM 6. EXHIBITS AND FINANCIAL STATEMENTS

(a) Exhibits

Exhibit No. -----	Description of Exhibit -----
A-1	Articles of Incorporation of Unitil (Filed as exhibit 3.1 to the 1992 Form S-14 Registration Statement of Unitil, File No. 2-93769, and incorporated by reference herein).
A-2	Articles of Amendment to Articles of Incorporation (Filed as exhibit 3.2 to the 1992 Form S-14 Registration Statement of Unitil, File No. 2-93769, and incorporated by reference herein).
A-3	By-laws of Unitil (Filed as exhibit 3.2 to the 1992 Form 10-K of Unitil and incorporated by reference herein).
B-1	Unitil Corporation 2003 Restricted Stock Plan
B-2	Registration Statement on Form S-8 under the Securities Act relating to the Additional Common Stock (To be filed with the Commission under the Securities Act and incorporated by reference herein).
F-1	Opinion of Counsel (To be filed by Amendment).
F-2	"Past Tense" Opinion of Counsel (To be filed by Amendment).
G-1	Proposed Form of Notice.

(b) Financial Statements

No. -----	Description of Financial Statement -----
FS-1	Unitil Corporation Consolidated Actual Balance Sheet and Statement of Earnings, December 31, 2002 and Unaudited Actual Balance Sheet and Statement of Earnings, March 31, 2003, June 30, 2003 and September 30, 2003 (Filed with the Commission with Unitil's Form 10-K for the year ended December 31, 2002 and Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 30, 2003, and incorporated by reference herein).
FS-2	Unitil Corporation Consolidated Pro Forma Balance Sheet and Statement of Earnings as of December 31, 2003.

ITEM 7. INFORMATION AS TO ENVIRONMENTAL EFFECTS

None of the matters that are the subject of this Application-Declaration involve a "major federal action" nor do they "significantly affect the quality of the human environment" as those terms are used in Section 102(2)(C) of the National Environmental Policy Act. None of the proposed transactions that are the subject of this Application-Declaration will result in changes in the operation of the Applicant that will have an impact on the environment. The Applicant are not aware of any federal agency which has prepared or is preparing an environmental impact statement with respect to the transactions proposed herein.

SIGNATURE

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

Dated: February 20, 2004

UNITIL CORPORATION

By: /s/ Mark H. Collin

Name: Mark H. Collin
Title: Senior Vice President,
Chief Financial Officer & Treasurer

Unitil Corporation
2003 Restricted Stock Plan

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Unitil Corporation
2003 Restricted Stock Plan

ARTICLE 1

Establishment, Objectives, and Duration

1.1 Establishment of the Plan. Unitil Corporation, a corporation organized and existing under New Hampshire law (the "Company"), established the Unitil Corporation 2003 Restricted Stock Plan (the "Plan") effective January 1, 2003 (the "Effective Date"). The Plan shall remain in effect as provided in Section 1.3 hereof.

1.2 Objectives of the Plan. The objectives of the Plan are to optimize the profitability and growth of the Company through incentives which are consistent with the Company's goals and which link the personal interests of Participants to those of the Company's shareholders; to provide Participants with an incentive for excellence in individual performance; and to promote teamwork among Participants.

1.3 Duration of the Plan. The Plan shall remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Article 13 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions.

ARTICLE 2

Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below, and, when the meaning is intended, the initial letter of the word shall be capitalized:

2.1 "Affiliate" means any parent or subsidiary of the Company which meets the requirements of Section 425 of the Code.

2.2 "Award" means, individually or collectively, an award under this Plan of Restricted Stock.

2.3 "Award Agreement" means an agreement entered into by the Company and each Participant setting forth the terms and provisions applicable to Awards made under the Plan.

2.4 "Board" means the Board of Directors of the Company.

2.5 "Change in Control" means the satisfaction of any one or more of the following conditions (and the "Change in Control" shall be deemed to have

occurred as of the first day that any one or more of the following conditions shall have been satisfied):

(a) the Company receives a report on Schedule 13D filed with the Securities and Exchange Commission pursuant to Rule 13(d) of the Exchange Act, disclosing that any person, group, corporation or other entity is the beneficial owner, directly or indirectly, of 25% or more of the outstanding Shares;

(b) any "person" (as such term is used in Section 13(d) of the Exchange Act), group, corporation or other entity other than the Company or a wholly-owned subsidiary of the Company, purchases Shares pursuant to a tender offer or exchange offer to acquire any Shares (or securities convertible into Shares) 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 25% or more of the outstanding Shares (calculated as provided in paragraph (d) of Rule 13d-3 under the Exchange Act in the case of rights to acquire Shares);

(c) consummation of a transaction which involves (1) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation, or pursuant to which Shares of the Company would be converted into cash, securities or other property (except where the Company's shareholders before such transaction will be the owners of more than 75% of all classes of voting securities of the surviving entity); or (2) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company.

(d) there shall have been a change in a majority of the members of the Board within a 25-month period, unless the election or nomination for election by the Company's shareholders of each new director was approved by the vote of at least two-thirds of the directors then still in office who were in office at the beginning of the 25-month period.

2.6 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.7 "Committee" means the Compensation Committee of the Board, as specified in Article 3 herein, or such other Committee appointed by the Board to administer the Plan with respect to grants of Awards.

2.8 "Company" means Unitil Corporation, a corporation organized and existing under New Hampshire law, and any successor thereto as provided in Article 16 herein.

2.9 "Consultant" means an independent contractor who is performing consulting services for one or more entities in the Group and who is not an employee of any entity in the Group.

2.10 "Director" means a member of the Board or a member of the board of directors of an Affiliate.

2.11 "Disability" shall have the meaning ascribed to such term in the long-term disability plan maintained by the Company, or if no such plan exists, at the discretion of the Committee.

2.12 "Effective Date" shall have the meaning ascribed to such term in Section 1.1 hereof.

2.13 "Employee" means any employee of the Group, including any employees who are also Directors.

2.14 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.15 "Fair Market Value" means as of any date, the closing price based upon composite transactions on a national stock exchange for one Share or, if no sales of Shares have taken place on such date, the closing price on the most recent date on which selling prices were quoted. In the event the Company's Shares are no longer traded on a national stock exchange, Fair Market Value shall be determined in good faith by the Committee.

2.16 "Group" means the Company and its Affiliates.

2.17 "Named Executive Officer" means a Participant who, as of the date of vesting of an Award, is one of the group of "covered employees," as defined in the regulations promulgated under Code Section 162(m), or any successor section.

2.18 "Nonemployee Director" shall have the meaning ascribed to such term in Rule 16b-3 of the Exchange Act.

2.19 "Outside Director" shall have the meaning ascribed to such term under the regulations promulgated with respect to Code Section 162(m).

2.20 "Participant" means a current or former Employee, Director, or Consultant who has outstanding an Award granted under the Plan.

2.21 "Performance-Based Exception" means the performance-based exception from the tax deductibility limitations of Code Section 162(m).

2.22 "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock is limited in some way (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Committee, at its discretion), and the Shares are subject to a substantial risk of forfeiture, as provided in Article 6 herein.

2.23 "Restricted Stock" or "Restricted Share" means an Award granted to a Participant pursuant to Article 6 herein.

2.24 "Shares" means the shares of common stock (no par value) of the Company.

2.25 "Termination of Service" means, (i) if an Employee, termination of employment with all entities in the Group, (ii) if a Director, termination of service on the Board and the board of directors of any Affiliate, as applicable, and (iii) if a Consultant, termination of the consulting relationship with all entities in the Group; provided, however, that if a Participant serves the Group in more than one of the above capacities, Termination of Service shall mean termination of service in all such capacities.

ARTICLE 3

Administration

3.1 The Committee. The Plan shall be administered by the Committee. To the extent the Company deems it to be necessary or desirable with respect to any Awards made hereunder, the members of the Committee may be limited to Nonemployee Directors or Outside Directors, who shall be appointed from time to time by, and shall serve at the discretion of, the Board.

3.2 Authority of the Committee. Except as limited by law or by the Articles of Incorporation or the By-laws of the Company, and subject to the provisions herein, the Committee shall have full power to select the persons who shall participate in the Plan; determine the sizes of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan as they apply to Participants; establish, amend, or waive rules and regulations for the Plan's administration as they apply to Participants; and (subject to the provisions of Article 13 herein) amend the terms and conditions of any outstanding Award to the extent such terms and conditions are within the discretion of the Committee as provided in the Plan. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authority as identified herein.

3.3 Decisions Binding. All determinations and decisions made by the Committee pursuant to the provisions of the Plan and all related orders and resolutions of the Board shall be final, conclusive and binding on all persons, including the Company, its shareholders, Affiliates, Participants, and their estates and beneficiaries.

ARTICLE 4

Shares Subject to the Plan and Maximum Awards

4.1 Number of Shares Available for Grants.

(a) Subject to adjustment as provided in Section 4.2, the maximum number of Shares available for Awards to Participants under the Plan shall be 177,500. If any Award under the Plan expires before vesting or is forfeited, the Shares subject to such Award shall again be available for issuance under the Plan.

(b) The maximum aggregate number of Shares of Restricted Stock that may be granted in any one calendar year to any one Participant shall be 20,000, subject to adjustment in accordance with Section 4.2.

4.2 Adjustments in Authorized Shares. In the event of any change in corporate capitalization affecting the Shares, including, without limitation, a stock split, reverse stock split, stock dividend or other distribution, recapitalization, consolidation, subdivision, split-up, spin-off, split-off, combination or other exchange of Shares or other form of reorganization or recapitalization, partial or complete liquidation, or other change affecting the Shares, the Committee shall authorize and make such proportionate adjustments, if any, as the Committee shall deem appropriate to prevent dilution or enlargement of rights, including, without limitation, an adjustment in the maximum number and kind of Shares that may be delivered pursuant to Section 4.1 and in the Award limit set forth in Section 4.1(b); provided, however, that the number of Shares subject to any Award shall always be rounded to the nearest whole number, with one-half (1/2) of a share rounded up to the next higher number.

ARTICLE 5

Eligibility and Participation

5.1 Eligibility. Persons eligible to participate in this Plan include all Employees, Directors and Consultants of the Group.

5.2 Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Employees, Directors and Consultants those to whom Awards shall be made and shall determine the nature and amount of each Award.

ARTICLE 6

Restricted Stock

6.1 Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock to Participants in such amounts as the Committee shall determine.

6.2 Restricted Stock Agreement. Each Restricted Stock grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Shares of Restricted Stock granted, and such other provisions as the Committee shall determine.

6.3 Transferability. Except as provided in this Article 6, the Shares of Restricted Stock granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Award Agreement.

6.4 Restrictions.

(a) Subject to the terms hereof, the Committee shall impose such conditions and/or restrictions on any Shares of Restricted Stock granted pursuant to the Plan as it may deem advisable and as are expressly set forth in the Award Agreement including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock, restrictions based upon the achievement of specific performance goals (Company-wide, divisional, and/or individual), time-based restrictions, and/or restrictions under applicable federal or state securities laws.

(b) The Company shall retain the certificates representing Shares of Restricted Stock in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied. The Participant shall execute appropriate stock powers in blank and such other documents as the Committee shall prescribe.

(c) Subject to restrictions under applicable law or as may be imposed by the Company, Restricted Shares covered by each Award made under the Plan shall become freely transferable by the Participant after the last day of the applicable Period of Restriction.

6.5 Voting Rights. During the Period of Restriction, subject to any limitations imposed under the By-laws of the Company, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares.

6.6 Dividends and Other Distributions. During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may be credited with regular dividends paid with respect to the underlying Shares while they are so held. The Committee may apply any restrictions to the dividends that the Committee deems appropriate and as are expressly set forth in the Award Agreement. Without limiting the generality of the preceding sentence, if the grant or vesting of Restricted Shares granted to a Named Executive Officer is designed to comply with the requirements of the Performance-Based Exception, the Committee may apply any restrictions it deems appropriate to the payment of dividends declared with respect to such Restricted Shares, such that the dividends and/or the Restricted Shares maintain eligibility for the Performance-Based Exception.

ARTICLE 7

Termination of Service

Each Award Agreement shall set forth the effect that Termination of Service shall have upon that Award. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for

Termination of Service; provided, however, that the following shall automatically apply to the extent different provisions are not expressly set forth in a Participant's Award Agreement:

(a) Upon a Termination of Service for any reason other than death, retirement or Disability, all unvested Restricted Shares shall be forfeited as of the termination date.

(b) Upon a Termination of Service as a result of the Participant's death, retirement or Disability, all unvested Restricted Shares shall vest as of the termination date.

ARTICLE 8

Restrictions on Shares

All Shares issued pursuant to Awards granted hereunder, and a Participant's right to receive Shares upon vesting of an Award, shall be subject to all applicable restrictions contained in the Company's By-laws, shareholders agreement or insider trading policy, and any other restrictions imposed by the Committee, including, without limitation, restrictions under applicable securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and restrictions under any blue sky or state securities laws applicable to such Shares.

ARTICLE 9

Performance Measures

If an Award is subject to Code Section 162(m) and the Committee determines that such Award should be designed to comply with the Performance-Based Exception, the performance measure(s), the attainment of which determine the degree of vesting, to be used for purposes of such Awards shall be chosen from among earnings per share, economic value added, market share (actual or targeted growth), net income (before or after taxes), operating income, return on assets (actual or targeted growth), return on capital (actual or targeted growth), return on equity (actual or targeted growth), return on investment (actual or targeted growth), revenue (actual or targeted growth), share price, stock price growth, total shareholder return, or such other performance measures as are duly approved by the Committee and the Company's shareholders.

ARTICLE 10

Beneficiary Designation

Subject to the terms and conditions of the Plan and the applicable Award Agreement, each Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom Shares under the Plan are to be transferred in the event of the Participant's death. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective

only when filed by the Participant in writing during the Participant's lifetime with the party chosen by the Company, from time to time, to administer the Plan. In the absence of any such designation, Shares shall be paid to the Participant's estate following his death.

ARTICLE 11

Rights of Participants

11.1 Continued Service. Nothing in the Plan shall:

(a) interfere with or limit in any way the right of the Company to terminate any Participant's employment, service as a Director, or service as a consultant with the Group at any time, or

(b) confer upon any Participant any right to continue in the service of any member of the Group as an Employee, Director or Consultant.

11.2 Participation. Participation is determined by the Committee. No person shall have the right to be selected to receive an Award under the Plan, or, having been so selected, to be selected to receive a future Award.

ARTICLE 12

Change in Control

Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges, any restrictions and transfer limitations imposed on Restricted Shares shall immediately lapse.

ARTICLE 13

Amendment or Termination

The Board may at any time and from time to time amend or terminate the Plan or any Award hereunder in whole or in part; provided, however, that no amendment which requires shareholder approval in order for the Plan to continue to comply with any applicable tax or securities laws or regulations, or the rules of any securities exchange on which the securities of the Company are listed, shall be effective unless such amendment shall be approved by the requisite vote of shareholders of the Company entitled to vote thereon; provided further that no such amendment or termination shall adversely affect any Award hereunder without the consent of the Participant.

ARTICLE 14

Withholding

14.1 Tax Withholding. The Company shall have the right to 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.

14.2 Share Withholding. Participants may elect, subject to the approval of the Committee, to satisfy all or part of such withholding requirement by having the Company withhold Shares having a Fair Market Value equal to the minimum statutory total tax which could be imposed on the transaction. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

ARTICLE 15

Indemnification

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by the Company to the fullest extent permitted by applicable law against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification is subject to the person having been successful in the legal proceedings or having acted in good faith and what is reasonably believed to be a lawful manner in the Company's best interests. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

ARTICLE 16

Successors

All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the

existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

ARTICLE 17

Legal Construction

17.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

17.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

17.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to, and may be made contingent upon satisfaction of, all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

17.4 Governing Law. To the extent not preempted by federal law, the Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of New Hampshire.

IN WITNESS WHEREOF, this Plan has been executed as of the date first written above.

UNITIL CORPORATION

By:
Its:

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35- ____; 70 ____)

Unitil Corporation

Notice of Proposal to Issue Common Stock under Restricted Stock Plan

Unitil Corporation ("Unitil"), 6 Liberty Lane West, Hampton, New Hampshire 03842, has filed an Application- Declaration with this Commission pursuant to Sections 6(a) and 7 of the Public Utility Holding Company Act of 1935 ("Act").

Unitil proposes to issue of up to 177,500 shares of common stock, no par value ("Common Stock"), of Unitil under the Unitil Corporation 2003 Restricted Stock Plan (the "Plan"), such number of shares to be subject to adjustment in accordance with the provisions of the Plan.

The objectives of the Plan are to optimize the profitability and growth of Unitil through incentives that are consistent with Unitil's goals and that link the personal interests of Plan participants to those of Unitil's shareholders, to attract and retain employees and directors of outstanding ability, and to promote teamwork among participants.

In accordance with the terms of the Plan, awards for shares of restricted stock may be granted under the Plan and are evidenced by an Award Agreement, entered into by the participant and Unitil, setting forth the terms and provisions applicable to the award. Persons eligible to participate in the Plan include all employees, directors and consultants of Unitil, its subsidiaries and its affiliates (collectively, the "Unitil Companies"). The Plan is administered by the Compensation Committee of the Board of Directors of Unitil. Awards under the Plan will vary each year based on the achievement of annual performance objectives that directly correlate with the annual performance objectives as defined by the Unitil Management Incentive Plan. The maximum aggregate number of shares of restricted stock that may be awarded in any one calendar year to any one participant is 20,000.

Awards will fully vest over a period of four (4) years (the "Period of Restriction") at a rate of 25% each year. During the Period of Restriction, the Plan provides that the restricted shares underlying the award may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated by the recipient and no share certificates are issued. Prior to the end of the Period of Restriction, the award of restricted shares shall be subject to forfeiture if the participant ceases to be employed by the Unitil Companies other than due to the participant's death. Awards may be subject to such additional restrictions as the Compensation Committee may determine to be appropriate and as are set forth in the particular Award Agreement. Subject to restrictions under applicable law or as may be imposed by the Unitil, restricted shares underlying each award made under the Plan shall become freely transferable by the Plan participant after the last day of the applicable Period of Restriction.

During the Period of Restriction, cash dividends paid on restricted shares underlying granted awards may be credited to the recipient's account. In the event any non-cash dividends or other distributions, whether in property, or in stock of another company, are paid on any restricted shares during the Period of Restriction, such non-cash dividends or other distributions shall be retained by Unitil until such time as the Period of Restriction has lapsed. In the event of forfeiture of the restricted shares, such non-cash dividend or other distributions shall be retained by Unitil.

Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges, any restrictions and transfer limitations imposed on restricted shares shall immediately lapse.

Interested persons wishing to comment or request a hearing on this Application-Declaration should submit their views in writing by March _____, 2004 to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the declarant at the address specified above. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. After said date, the declaration, as amended or as it may be further amended, may be granted.

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

UNITIL CORPORATION

CONSOLIDATED BALANCE SHEETS (000's) (A)

ASSETS:	(Unaudited) December 31, 2003	Adjustments	Pro Forma
Utility Plant			
Electric	\$209,288		\$209,288
Gas	48,700		48,700
Common	27,441		27,441
Construction Work in Progress	3,228		3,228
Utility Plant	288,657		288,657
Less: Accumulated Depreciation	93,592		93,592
Net Utility Plant	195,065		195,065
Current Assets:			
Cash	3,766		3,766
Accounts Receivable	17,461		17,461
Refundable Taxes	3,816	1 (B)	3,817
Materials and Supplies	2,861		2,861
Prepayments and Other	6,146		6,146
Accrued Revenue	10,029		10,029
Total Current Assets	44,079	1	44,080
Noncurrent Assets:			
Regulatory Assets	227,528		227,528
Prepaid Pension Costs	10,972		10,972
Debt Issuance Costs, net	1,844		1,844
Other Noncurrent Assets	4,389		4,389
Total Noncurrent Assets	244,733		244,733
 TOTAL	 \$483,877	 \$1	 \$483,878

(The accompanying Notes are an integral part of these statements.)

UNITIL CORPORATION

CONSOLIDATED BALANCE SHEETS (000's) (A)

CAPITALIZATION AND LIABILITIES:	(Unaudited) December 31, 2003	Adjustments	Pro Forma
Capitalization:			
Common Stock Equity	\$ 92,805	\$ (235)(C)	\$ 92,570
Preferred Stock, Non-Redeemable	225		225
Preferred Stock, Redeemable	3,044		3,044
Long-term Debt, Less Current Portion	110,961		110,961
Total Capitalization	207,035	(235)	206,800
Current Liabilities:			
Long-term Debt, Current Portion	3,263		3,263
Capitalized Lease, Current Portion	567		567
Accounts Payable	15,024		15,024
Short-Term Debt	22,410	234 (E)	22,644
Dividends Declared and Payable	70		70
Refundable Customer Deposits	1,429		1,429
Interest Payable	1,356	2 (F)	1,358
Other Current Liabilities	4,254		4,254
Total Current Liabilities	48,373	236	48,609
Deferred Income Taxes	56,900		56,900
Noncurrent Liabilities			
Power Supply Contract Obligations	167,341		167,341

Capitalized Leases, Less Current Portion	403	403
Other Noncurrent Liabilities	3,825	3,825
Total Noncurrent Liabilities	171,569	171,569

TOTAL \$ 483,877 \$ 1 \$ 483,878

(The accompanying Notes are an integral part of these statements.)

UNITIL CORPORATION

CONSOLIDATED STATEMENTS OF EARNINGS (000's) (A)

	(Unaudited) Year Ended December 31, 2003	Adjustments	Pro Forma
Operating Revenues:			
Electric	\$ 190,864		\$ 190,864
Gas	28,612		28,612
Other	1,178		1,178
Total Operating Revenues	220,654		220,654
Operating Expenses:			
Purchased Electricity	134,575		134,575
Gas Purchased for Resale	17,421		17,421
Operating and Maintenance	22,167	1,035 (C)	23,202
Conservation & Load Management	3,930		3,930
Depreciation and Amortization	18,756		18,756
Provisions for Taxes:			
Local Property and Other	4,805		4,805
Federal and State Income	3,551	(1)(B)	3,550
Total Operating Expenses	205,205	1,034	206,239
Operating Income	15,449	(1,034)	14,415
Other Non-Operating Expenses	(40)		(40)
Income Before Interest Expense	15,489	(1,034)	14,455
Interest Expense, Net	7,531	2 (F)	7,533
Net Income	7,958	(1,036)(D)	6,922
Less Dividends on Preferred Stock	236		236
Earnings Applicable to Common Shareholders	\$ 7,722	\$ (1,036)	\$ 6,686
Average Common Shares Outstanding-Basic	4,877,933	22,188 (G)	4,900,121
Average Common Shares Outstanding-Diluted	4,899,488	22,188 (G)	4,921,676
Earnings Per Common Share	\$ 1.58		\$ 1.36 (G)

(The accompanying Notes are an integral part of these statements.)

UNITIL CORPORATION

Notes to Pro Forma Consolidated Financial Statements

(A) These statements have been pro formed to assume the awarding on January 1, 2003 of the maximum number of shares of restricted stock available to be awarded to participants under the Plan (177,500 at a price per share of \$24.45) and is adjusted for the actual shares awarded and recorded in 2003 (10,600 shares). The pro forma assumes that the annual vested expense for the awarded shares (25% of the aggregate award) is accordingly recorded in 2003 and the vesting became effective as of the beginning of the year. The pro forma assumes dividends were declared and paid for the full twelve month period on the aggregate awarded shares. The Statement of Earnings reflects the corresponding impact on Operating and Maintenance Expense, Interest Expense and Federal and State Income Taxes. Earnings Per Share reflect the dilutive effect on the vested shares of Common Stock issued under the Plan for the twelve month period and the resulting change in Earnings Applicable to Common Shareholders

- (B) The reduction in Refundable Taxes reflects the rise in Interest Expense and the corresponding decline in income taxes.
- (C) The rise in Operating and Maintenance Expense reflects the recording of the annual vested expense on the awarded shares. The pro forma adjustment reflects the recording of 177,500 shares beginning on January 1, 2003 for the four year vesting period and includes the an adjustment for the 10,600 shares actually recorded effective April 1, 2003.
- (D) Common Stock Equity reflects the following factors: the cost of the pro formed vested shares of Common Stock; declaration of common dividends on all of the adjusted new shares awarded and issued during the twelve-month period (e.g. Retained Earnings); and decline in earnings from net Operating and Maintenance, Interest expense (e.g. Retained Earnings).
- (E) Reflects a higher net cash outlay related to increased Common Dividend payments.
- (F) Reflects the incremental increase in Short-Term Debt, described above, and the resulting rise in Interest Expense.
- (G) The Pro forma Average Common Shares outstanding and Earnings Per Share assume the vesting of 44,375 additional shares of Common Stock under the Plan at the beginning of the twelve month period.