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

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 4, 2020**

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**UNITIL CORPORATION**

(Exact name of registrant as specified in its charter)

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**New Hampshire**  
(State or other jurisdiction  
of incorporation)

**1-8858**  
(Commission  
File Number)

**02-0381573**  
(IRS Employer  
Identification No.)

**6 Liberty Lane West, Hampton, New Hampshire**  
(Address of principal executive offices)

**03842-1720**  
(Zip Code)

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

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange of which registered</u>
Common Stock	UTL	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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**Item 7.01 Regulation FD Disclosure**

Unitil Corporation's (the "Company") Chairman, Chief Executive Officer and President, Thomas P. Meissner, Jr., plans to meet with investors and analysts at the Bank of America Securities 2020 Power, Gas and Solar Leaders Conference to be held in Boston, Massachusetts, on March 4, 2020. The meeting materials are attached as Exhibit 99.1 and will be available in the investor relations section of the Company's website ([unitil.com](http://unitil.com)).

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<u>Number</u>	<u>Exhibit</u>
99.1	<a href="#">Unitil Corporation's meeting materials for the Bank of America Securities 2020 Power, Gas and Solar Leaders Conference.</a>
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

**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 hereunto duly authorized.

UNITIL CORPORATION

By:

/s/ Christine L. Vaughan

Christine L. Vaughan  
Senior Vice President, Chief Financial Officer and  
Treasurer

Date: March 4, 2020



## **BofA Securities 2020 Power, Gas and Solar Leaders Conference**

March 4, 2020

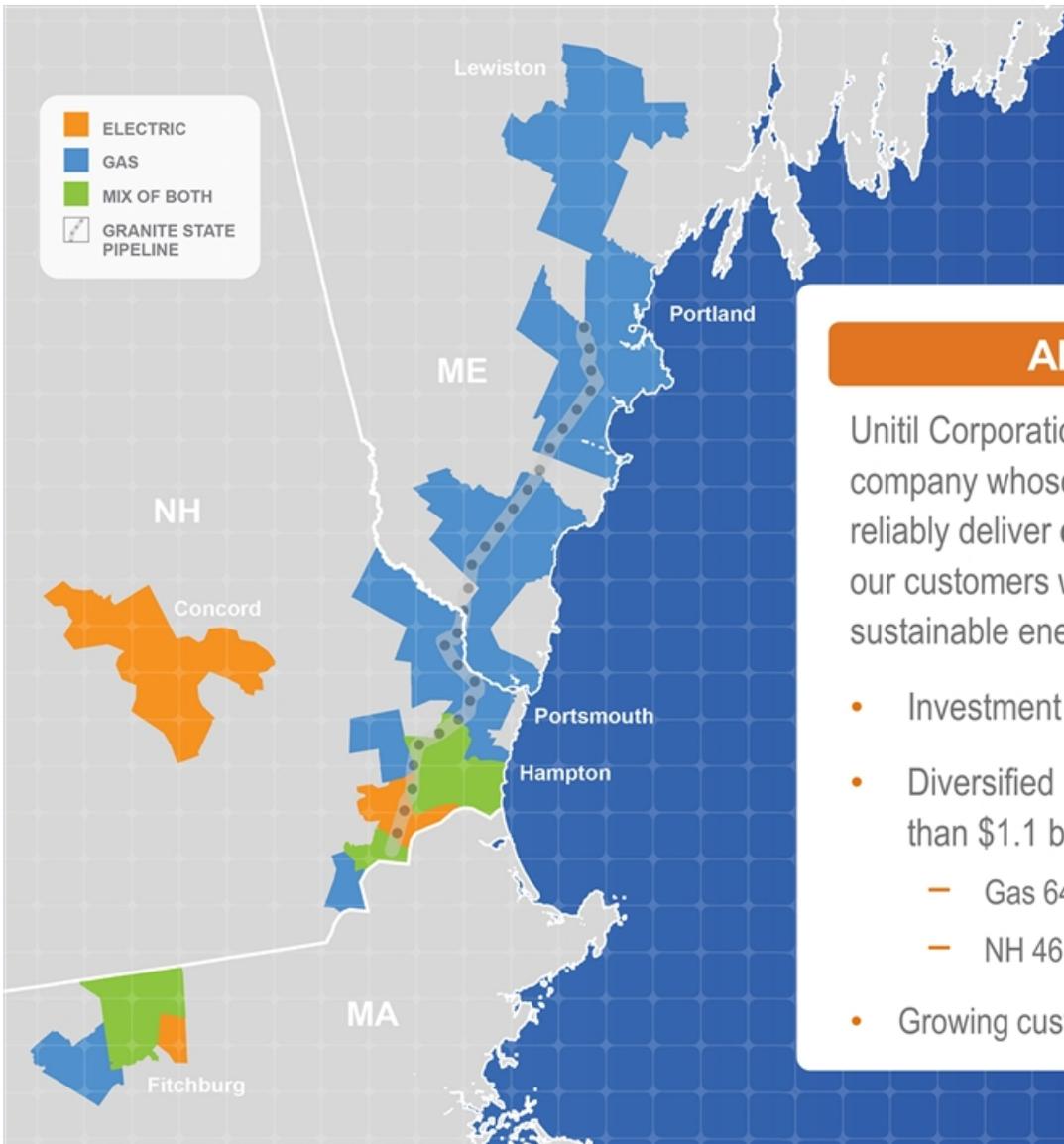
# SAFE HARBOR PROVISION

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This presentation contains “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding Unitil Corporation’s (“Unitil”) financial condition, results of operations, capital expenditures, business strategy, regulatory strategy, market opportunities, and other plans and objectives. 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”, the negative of such terms, or other comparable terminology.

These forward-looking statements are neither promises nor guarantees, but involve risks and uncertainties that could cause the actual results to differ materially from those set forth in the forward-looking statements. Those risks and uncertainties include: Unitil’s regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters); fluctuations in the supply of, demand for, and the prices of energy commodities and transmission capacity and Unitil’s ability to recover energy commodity costs in its rates; customers’ preferred energy sources; severe storms and Unitil’s ability to recover storm costs in its rates; general economic conditions; changes in taxation; variations in weather; long-term global climate change; catastrophic events; numerous hazards and operating risks relating to Unitil’s electric and natural gas distribution activities; Unitil’s ability to retain its existing customers and attract new customers; Unitil’s energy brokering customers’ performance and energy used under multi-year energy brokering contracts; increased competition; integrity and security of operational and information systems; publicity and reputational risks; and other risks detailed in Unitil’s filings with the Securities and Exchange Commission, including those appearing under the caption “Risk Factors” in Unitil’s Annual Report on Form 10-K for the year ended December 31, 2019.

Readers should not place undue reliance on any forward looking statements, which speak only as of the date they are made. Except as may be required by law, Unitil undertakes no obligation to update any forward-looking statements to reflect any change in Unitil’s expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.



- ELECTRIC
- GAS
- MIX OF BOTH
- GRANITE STATE PIPELINE

### About Unitil

Unitil Corporation is a public utility holding company whose mission is to safely and reliably deliver **energy** for life and provide our customers with affordable and sustainable energy solutions

- Investment grade utility
- Diversified Net Utility Plant of more than \$1.1 billion
  - Gas 64%, Electric 36%
  - NH 46%, ME 28%, MA 26%
- Growing customer base

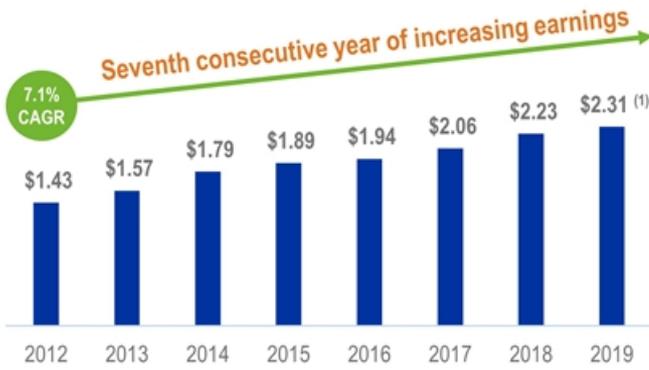
# 2019 FINANCIAL RESULTS

- For the year ended December 31, 2019 Net Income is \$44.2 million or \$2.97 per share
  - Excluding the divestiture gain for the sale of Usource of \$9.8 million or \$0.66 per share, Net Income is up \$1.4 million or \$0.08 per share

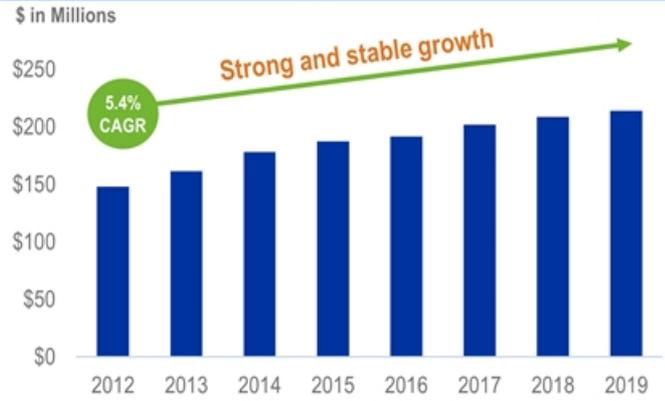
Twelve Months Ended December 31,		
	2019	2018
Net Income (\$ in millions)	\$ 44.2	\$ 33.0
Earnings Per Share	\$ 2.97	\$ 2.23

# FINANCIAL SUMMARY Q4 2019

## EPS Growth



## Margin Growth



## Usource Divestiture

Successfully divested of non-regulated energy brokering and advisory business

- Recognized after-tax gain of \$9.8 million or \$0.66 per share
- Net proceeds invested into regulated subsidiaries

## Net Utility Plant



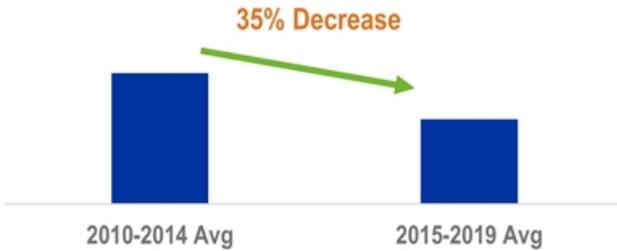
Increase in net utility plant driven from growing investment program, funded, in part, by proceeds from Usource divestiture

(1) 2019 EPS excludes the divestiture gain of \$0.66 per share

# OPERATIONAL SUMMARY Q4 2019

## Electric Reliability

2019 was lowest recorded system average interruption time in Company history



## Gas Emergency Response Time

Percentage of calls responded to in under 60 minutes



## Additional Gas Mains

Successfully added 23 miles of new distribution gas mains and also replaced and modernized 12 miles existing of gas mains



## New Operations Center Under Construction



Broke ground on new NH operations facility <sup>(1)</sup>

(1) Image is artist rendition of completed facility

# CUSTOMER & INVESTMENT OPPORTUNITIES

## Franchise and Territory Expansion

- Gas service area expansion in NH as a result of new franchise areas and Targeted Area Buildouts (TAB) in Maine

## Robust Economy

- Strong economic expansion in existing service areas with over \$7.8 billion of new construction planned or underway

## Customer Conversions

- Low on-the-main penetration rate of 62% allows for continued low cost gas customer conversions
- Natural gas has a price advantage and emits 27% less carbon than #2 fuel oil when used for heating

## Grid Modernization

- Regulatory initiatives supporting new investment in the electric distribution system
- MA grid modernization investments in 2020 will be recoverable in 2021

## Gas Infrastructure Replacement

- ME & MA infrastructure replacement completion scheduled for 2024 and 2034 respectively
- Accelerated cost recovery mechanisms in place

# STRONG SHAREHOLDER RETURN

Annualized Returns	1-Year	5-Year	10-Year
Unitil	25.3%	14.5%	15.2%
Dow Jones Utility	27.3%	11.0%	12.4%
S&P 500	31.5%	11.7%	13.6%

**Received the Edison Electric Institute Index award for Outstanding Stock Performance over the past five years for small market capitalization**



# FINANCING ACTIVITY

## Unitil Corporation closed on \$30 million of senior unsecured notes in Q4

- The proceeds reduced short term borrowings and reduced exposure to interest rate volatility
- The remaining proceeds invested as equity into the regulated subsidiaries
- Considering a prepayment option for \$20 million of 6.33% Corporate Notes in Q2 2020



**Well positioned to continue refinancing long-term debt at lower interest rates**

Maturing Debt <sup>(1)</sup>	Principle	Interest Rate <sup>(2)</sup>
FY 2020	\$39.8 mm	6.1%
FY 2021	\$8.6 mm	7.2%
FY 2022	\$8.2 mm	7.5%
<b>Total</b>	<b>\$56.6 mm</b>	<b>6.5%</b>

(1) FY 2020 includes prepayment option for \$20 million corporate notes  
 (2) Interest rate is weighted based on principle amounts of maturing debt

# FITCHBURG RATE CASE

## Both Gas and Electric divisions filed rate cases December, 2019

Reached settlement with the Massachusetts Attorney General and filed with the DPU in January.

- Order approving gas settlement received February 28, 2020
- Requested electric approval in Q2 2020



### Key Settlement Provisions

- Settlement moves the effective date for new gas distribution rates forward 8 months to March 1<sup>st</sup>
  - Collecting ~80% of gas deficiency beginning March 1<sup>st</sup> 2020, with remaining balance beginning March 1<sup>st</sup> 2021 to lessen customer bill impacts
- More than doubles the existing electric capital tracker investment recovery cap
- Creates Storm Reserve Mechanism which allows for recovery of storm related costs
- 3 year stay out with standard exogenous provisions

# NORTHERN UTILITIES RATE CASE

## Rate Case - Maine

Northern Utilities (ME only) gas base rate case continues to progress as planned



Filing includes request for an alternative rate mechanism to recover non-growth utility investments for a period of three years

This mechanism would be in addition to the Company's ongoing infrastructure replacement recovery program.

# OTHER REGULATORY ACTIVITY

## Limited exposure to new transmission FERC base ROE methodology (MISO Complaint <sup>(1)</sup>)

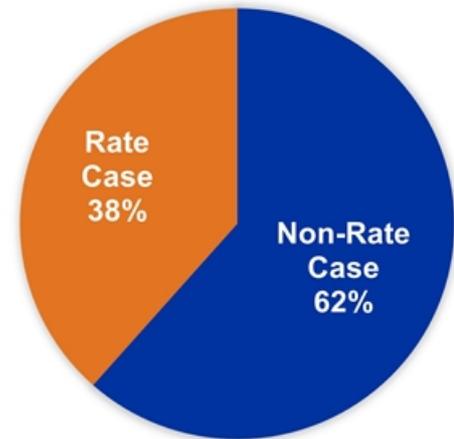
- Electric transmission less than 1% of total rate base

## Regulatory approval received for long-term capacity agreement increasing gas supply 11% in NH and Maine

## The MA DPU recently allowed Fitchburg to receive remuneration and recover associated administrative costs for its Long-Term Contracts for Qualified Clean Energy Projects

- One contract will materially impact the balance sheet of Fitchburg once they qualify for derivative accounting

## Rate Relief Sources <sup>(2)</sup>



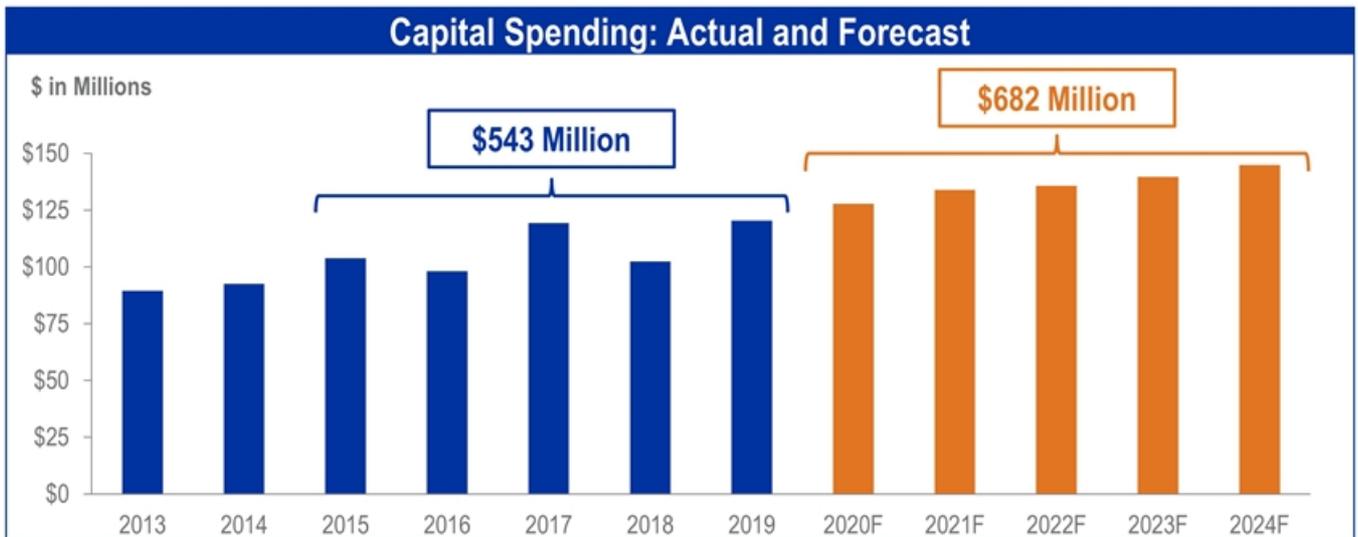
Strong precedent for investment recovery outside of rate cases which reduce regulatory lag on rate base growth

(1) Docket EL14-1

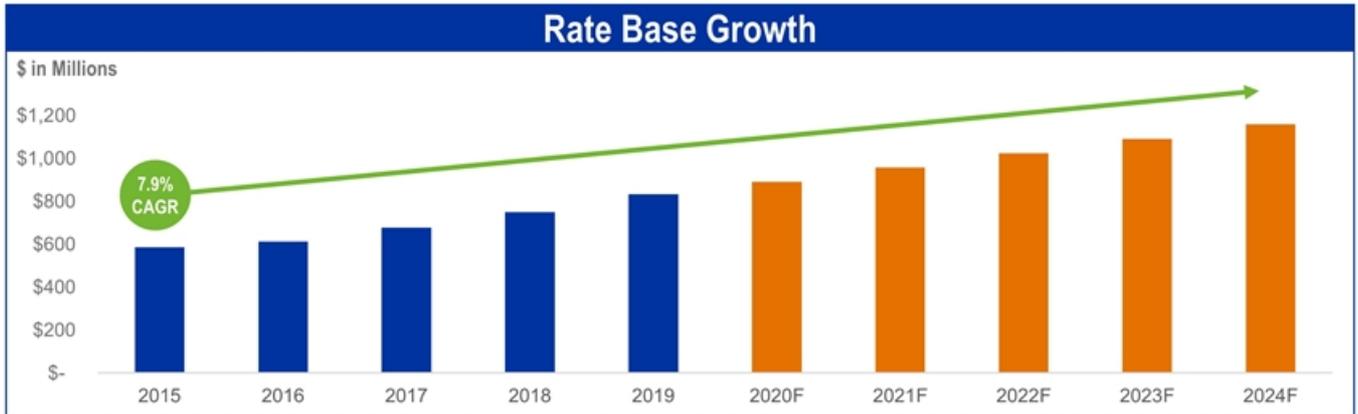
(2) Percentages based on last 5 years of awarded rate relief

# INVESTMENT OUTLOOK

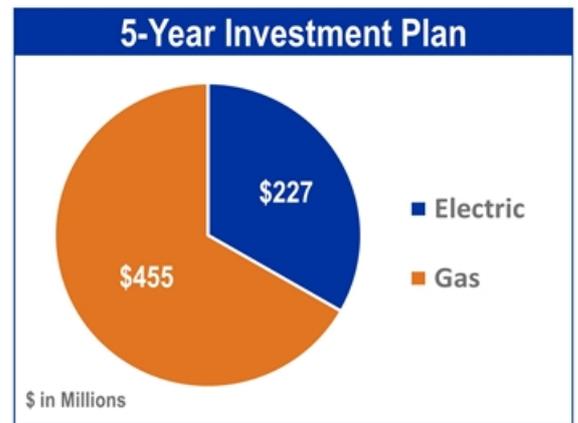
- Increasing investment program to support gas system growth and distribution system modernization
  - 25.6% more spending planned in the next 5 years compared to prior 5 years
- Capital spending forecast of \$128 million in 2020



# RATE BASE GROWTH



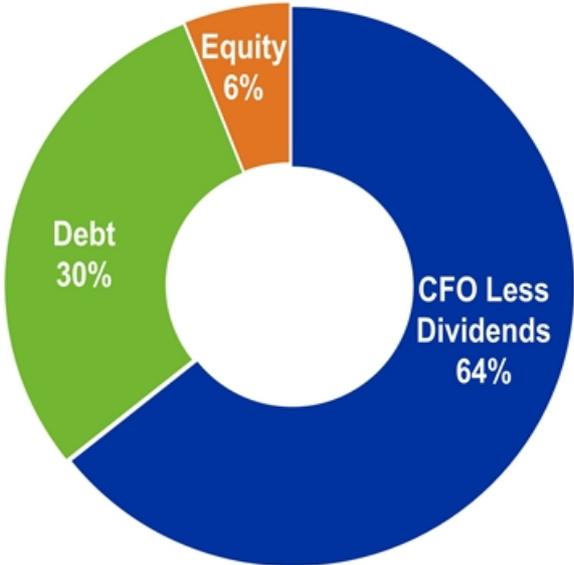
- Forecasting 7.5% to 8.5% rate base growth over the next 5 years
  - Gas growth rate about 70-100 basis points higher than electric
- Growth could be accelerated as a result of additional investment in:
  - Grid modernization program in NH
  - Electric vehicle infrastructure projects
  - Gas supply peaking projects



# CAPITAL SOURCES FIVE-YEAR PLAN

## Financing Sources

- Capital investment funded primarily from cash flow from operations less dividend payments
  - Declining payout ratio reinvests income and reduces external financing requirements
- The remaining investment program is funded through both Debt and Common Equity to maintain a balanced capital structure
  - Equity proceeds can include the Dividend Reinvestment and 401(k) programs as well as common stock offerings



# DIVIDEND POLICY

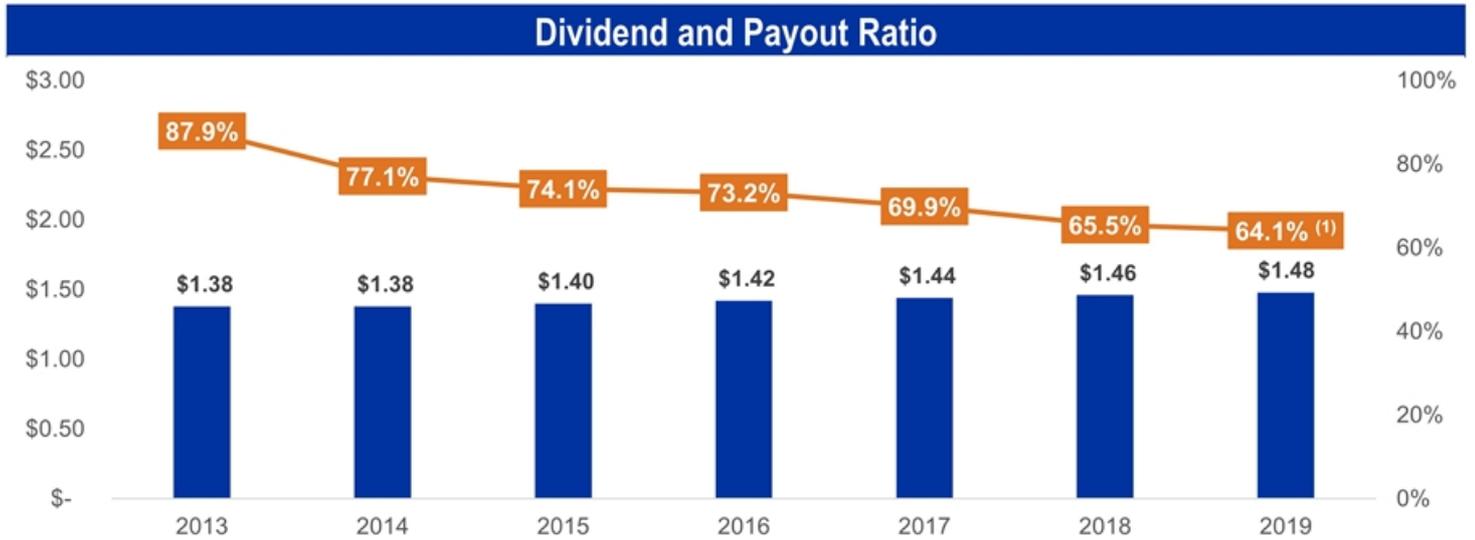
Strategically reducing the payout ratio to plowback earnings into the investment program



DPS  
\$1.50/share  
(annual)



Payout Ratio  
Target  
55%-65%



(1) 2019 payout ratio excludes the Usource divestiture gain of \$0.66 per share

# KEY INVESTMENT HIGHLIGHTS

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- Regulated local distribution utility business model
- Growing service areas and customer base
- Diversified natural gas and electric operations
- Dividend strength
- Experienced management team



**Unitil**  
energy for life

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# APPENDIX

# 2019 RETURN ON EQUITY

Company	Average Common Equity	2019 ROE <sup>(1)</sup>
Northern Utilities (New Hampshire)	\$211	7.7%
Northern Utilities (Maine)		
Unitil Energy	\$91	8.4%
Fitchburg (Electric)	\$82	6.7%
Fitchburg (Gas)		
Granite State	\$17	7.8%
Unitil Corporation <sup>(2)</sup>	\$364	12.2%

(1) ROE calculated by dividing last twelve months GAAP Net Income by Average Common Equity

(2) Unitil Corporation LTM ROE excluding the one-time divestiture gain from the sale of Usource is 9.5%

# 2019 RATE RELIEF SUMMARY

Company	Activity	Dollars (in Millions)	Date Effective
Northern Utilities (New Hampshire)	2018 Rate Relief (Net of TCJA)	\$0.6	Q1/Q2 2018
	Capital Tracker - 2019	\$1.4	Q2 2019
Northern Utilities (Maine)	2018 Rate Relief (Net of TCJA)	\$1.0	Q1/Q2 2018
	Capital Tracker – 2019	\$1.0	Q2 2019
Unitil Energy	2018 Rate Relief (Net of TCJA)	(\$0.3)	Q1/Q2 2018
	Capital Tracker – 2019	\$0.3	Q2 2019
Fitchburg (Electric)	2018 Rate Relief (Net of TCJA)	(\$0.1)	Q1/Q2 2018
	Electric Capital Tracker – 2019	\$0.9	Q2 2019
Fitchburg (Gas)	2018 Rate Relief (Net of TCJA)	\$0.1	Q1/Q2 2018
	Gas Capital Tracker – 2019	\$1.0	Q2 2019
Granite State	2018 Rate Relief (Net of TCJA)	\$0.0	Q2 2018

**Over \$4 million in 2019 rate relief awarded outside of rate cases**

# GAS CUSTOMER GROWTH

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**Nearly two-thirds of Maine households rely on expensive fuel oil as their primary energy source for home heating, a larger proportion than in any other state in the United States. In New Hampshire, more than two-fifths of households rely on fuel oil, the second highest proportion in the US behind Maine <sup>(1)</sup>**

## Natural Gas Opportunity

- **Cleaner** and more **affordable** than fuel oil
- Residential customer can save ~30% by converting from oil to gas
- Natural gas emits ~30% less carbon than #2 fuel oil when used for heating
- Low on-the-main penetration rate of 62% allowing for continued conversions

## Growth Statistics

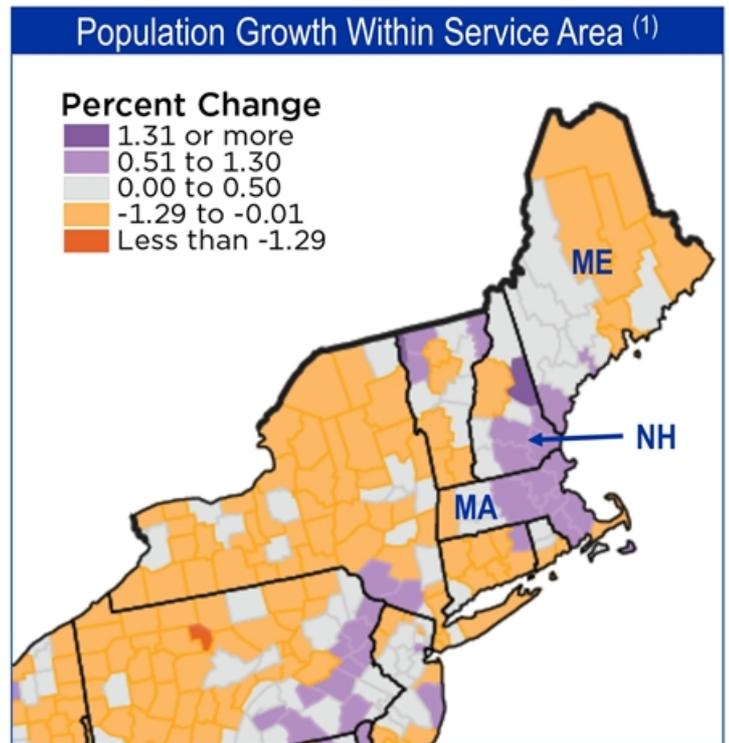
- Average gas customer growth of 1.6% each year since 2015
- Average gas sales margin growth of 4.6% since 2015

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(1) EIA.gov updated in Q2 2019

# SUSTAINED ECONOMIC EXPANSION

- Seacoast economy is attracting new development and jobs resulting in population growth
  - Significant housing and hospitality developments indicating population growth may continue into the future
- Identified \$7.8 billion of new construction planned or underway within service areas <sup>(2)</sup>
  - Increase of \$1.0 billion over prior year indicating continuing economic expansion
  - Thousands of new housing units across our service areas

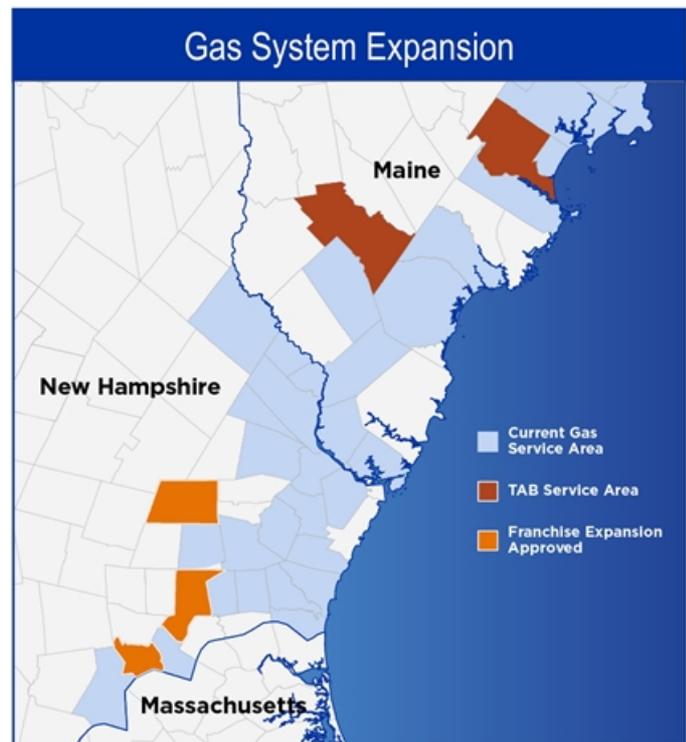


(1) U.S. Census Bureau 2018 Population Estimates

(2) Data as of Q3 2019

# EXPANSION OPPORTUNITIES

- Approximately 70 miles of additional gas mains have been installed since 2015
  - Growing economies and populations in service area states can better support natural gas investments
- NH gas franchise expansions
  - Received regulatory approval for three new franchise requests to serve Atkinson, Kingston and Epping
- Target Area Buildout (TAB) progress
  - Saco, ME – Initial 3-year build-out complete; exceeded targeted customer additions
  - Sanford, ME – Second year of build-out completed



# INFRASTRUCTURE MODERNIZATION

## Gas Infrastructure Replacement

- Total spending remaining on infrastructure replacement programs of over \$135 million with strong cost recovery
- Estimated completion in 2024 (ME) and 2034 (MA); NH completed 2017
- Upgrades simultaneously enhance public safety and expand capacity



## Electric Grid Modernization

- Regulatory initiatives in MA and NH support new investments to modernize the electric system
- MA – total spending of ~\$25 million over ten years with strong cost recovery
- NH – plan under development, with estimated spending of ~\$60 million

