

UNITIL CORP  
Form 11-K  
June 27, 2012  
Table of Contents

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

**FORM 11-K**

**X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)**

**For the fiscal year ended December 31, 2011**

**OR**

**.. TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)**

**Commission file number 1-8858**

A. Full title of the plan and the address of the plan, if different from that of the issuer name below:

**THE UNITIL CORPORATION TAX DEFERRED SAVINGS AND INVESTMENT PLAN**

Edgar Filing: UNITIL CORP - Form 11-K

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**UNITIL CORPORATION**

**6 Liberty Lane West,**

**Hampton, New Hampshire 03842-1720**

**Table of Contents**

Financial Statements and  
Reports of Independent  
Registered Public Accounting Firms

**The Unitil Corporation**

**Tax Deferred**

**Savings and Investment Plan**

December 31, 2011 and 2010

**C O N T E N T S**

	Page
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	1
FINANCIAL STATEMENTS	
<u>STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - DECEMBER 31, 2011 AND 2010</u>	2
<u>STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - YEAR ENDED DECEMBER 31, 2011</u>	3
<u>NOTES TO FINANCIAL STATEMENTS</u>	4-18
<u>SUPPLEMENTAL INFORMATION</u>	
<u>SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2011</u>	20
SCHEDULES REQUIRED UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, OTHER THAN THE SCHEDULE LISTED ABOVE, ARE OMITTED BECAUSE OF THE ABSENCE OF CONDITIONS UNDER WHICH THE SCHEDULES ARE REQUIRED.	
<u>SIGNATURES</u>	21
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	Exhibit 23.1

**Table of Contents**

**Report of Independent Registered Public Accounting Firm**

To the Members of the Unitil Corporation 401(k) Plan Committee and the Plan Administrator of the Unitil Corporation Tax Deferred Savings and Investment Plan:

We have audited the accompanying statements of net assets available for benefits of the Unitil Corporation Tax Deferred Savings and Investment Plan (the Plan ) as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Unitil Corporation Tax Deferred Savings and Investment Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ McGladrey LLP

Boston, Massachusetts

June 27, 2012

**Table of Contents**

## The Unitil Corporation Tax Deferred Savings and Investment Plan

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31,

	2011	2010
Investments at Fair Value:		
Registered Investment Companies:		
American Balanced Fund	\$ 1,632,274	\$ 1,782,424
Growth Fund of America	6,794,598	7,898,754
MainStay High Yield Corporate Bond Fund	1,065,306	1,042,552
PIMCO Real Return Fund	1,354,503	870,828
PIMCO Total Return Fund	2,741,442	2,436,980
Columbia Acorn Select Fund Z	415,212	496,795
BlackRock LifePath Retirement Fund	462,520	211,563
BlackRock LifePath 2020 Fund	856,270	676,928
BlackRock LifePath 2030 Fund	548,908	436,457
BlackRock LifePath 2040 Fund	334,297	323,983
MainStay S&P 500 Index Fund	1,654,586	1,412,774
Columbia Mid Cap Index Fund	602,166	499,329
Van Kampen Growth and Income Fund	2,812,155	3,018,953
Davis New York Venture Fund	481,977	735,742
Jennison Small Company Fund Z	715,182	643,500
Third Avenue Small Cap Value Fund	208,686	134,495
JP Morgan Mid Cap Value Fund	845,114	747,294
Royce Low-Priced Stock Fund	1,168,847	1,357,697
Manning & Napier World Opportunities Fund A	1,962,377	2,639,405
Total Registered Investment Companies	26,656,420	27,366,453
New York Life Stable Value Fund	10,763,723	8,748,803
Unitil Corporation Stock Fund:		
Unitil Corporation Common Stock	6,071,532	4,866,815
MainStay Cash Reserves Fund I	213,573	178,985
Total Unitil Corporation Stock Fund	6,285,105	5,045,800
Total Investments at Fair Value	43,705,248	41,161,056
Notes Receivable from Participants	1,226,998	1,143,489
Contributions Receivable - Employer		2,519
Adjustment from Fair Value to Contract Value for Interest in Fully Benefit-Responsive Contract	112,020	100,886
Net Assets Available for Benefits	\$ 45,044,266	\$ 42,407,950

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

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31,

	2011
<b>Additions to net assets attributed to:</b>	
Investment income:	
Net depreciation in fair value of investments	\$ (354,775)
Interest and dividends	1,321,695
<b>Total investment income</b>	<b>966,920</b>
Interest on notes receivable from participants	58,160
<b>Contributions:</b>	
Participant	2,459,911
Employer	1,200,476
Participant rollovers	360,958
<b>Total contributions</b>	<b>4,021,345</b>
<b>Total additions</b>	<b>5,046,425</b>
<b>Deductions from net assets attributed to:</b>	
Benefits paid to participants	(1,199,824)
Rollover distributions	(1,157,795)
In-kind distributions	(52,490)
<b>Total deductions</b>	<b>(2,410,109)</b>
<b>Net increase</b>	<b>2,636,316</b>
<b>Net assets available for benefits:</b>	
Beginning of year	42,407,950
<b>End of year</b>	<b>\$ 45,044,266</b>

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

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE A - DESCRIPTION OF PLAN

The following description of The Unitil Corporation ( Unitil or the Company ) Tax Deferred Savings and Investment Plan ( Plan or 401(k) Plan ) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan s provisions.

In September 2009, the Company simultaneously amended its 401(k) Plan and its defined benefit pension plan ( Pension Plan ), effective January 1, 2010. The changes to the Company s 401(k) Plan, resulting from these amendments, were as follows:

For current non-union employees who elected to stay with the Company s existing Pension Plan, there were no changes in the 401(k) Plan. For those employees, the Company will continue to match contributions, with a maximum matching contribution of 3% of current compensation and those participants will be 100% vested in these company matching contributions once they have completed three years of service.

For non-union employees who are hired on or after January 1, 2010, and for non-union employees who elected to move from the Company s existing Pension Plan and accept a frozen pension benefit, the Company is providing the following enhancements to the 401(k) Plan, effective January 1, 2010:

The Company will contribute 4% of eligible compensation, as defined by the Plan, each year, regardless of whether or not the non-union employee elects to contribute to the 401(k) Plan.

The Company will increase the matching contributions from 3% of base pay to 6% of base pay. This will be a 100% match of the elective deferrals up to 6% of compensation.

All Company contributions will be 100% vested at all times.

New non-union employees will be automatically enrolled in the 401(k) Plan following the completion of 1,000 hours of service, with the automatic employee contribution rate of 3%. This contribution rate will automatically increase by 1% on January 1<sup>st</sup> of each year until the non-union employee s contribution is 10% of pay. Non-union employees may elect to opt-out of the automatic enrollment and/or automatic increase features of the enhanced 401(k) Plan.

In September 2010, the Company simultaneously amended its 401(k) Plan and its Pension Plan, effective January 1, 2011. The changes to the Company s 401(k) Plan, resulting from these amendments, were as follows:

For union employees who are members of the United Steelworkers union ( USWA ) and who elected to stay with the Company s existing Pension Plan, there were no changes in the 401(k) Plan. For those employees, the Company will continue to match contributions, with a maximum matching contribution of 50% of the first 5% of current compensation and those participants will be 100% vested in these company matching contributions at all times.

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

For union employees who are members of the USWA and who are hired on or after January 1, 2011, and for USWA members who elected to move from the Company's existing Pension Plan and accept a frozen pension benefit, the Company is providing the following enhancements to the 401(k) Plan, effective January 1, 2011:

The Company will contribute 4% of base pay each year, regardless of whether or not the employee elects to contribute to the 401(k) Plan.

The Company will increase the matching contributions from 2.5% of base pay to 6% of base pay. This will be a 100% match of the elective deferrals up to 6% of compensation.

All Company contributions will be 100% vested at all times.

New employees who are USWA members will be automatically enrolled in the 401(k) Plan following the completion of 1,000 hours of service, with the automatic employee contribution rate of 3%. This contribution rate will automatically increase by 1% on January 1<sup>st</sup> of each year until the employee's contribution is 10% of pay. Employees may elect to opt-out of the automatic enrollment and/or automatic increase features of the enhanced 401(k) Plan.

**General**

The Plan is a defined contribution plan covering substantially all employees of the Company and its wholly-owned subsidiaries Unitil Service Corp., Unitil Energy Systems, Inc., Fitchburg Gas and Electric Light Company, Northern Utilities, Inc. ( Northern Utilities ), Granite State Gas Transmission, Inc. ( Granite State ) and Usource L.L.C. ( Usource ) (the subsidiaries ), who satisfy the eligibility requirements. The Company has engaged New York Life Trust Company ( New York Life or trustee ) as the trustee of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ) and the Internal Revenue Code (the Code ).

The Plan's effective date is July 1, 1985. The Plan was amended and restated effective January 1, 2009 to comply with current Federal regulations. The Plan was also amended on June 18, 2009 to comply, effective January 1, 2007, with the final regulations under Section 415 of the Code. Further amendments were made to the Plan effective January 1, 2010, and January 1, 2011, as discussed above. The Plan was also amended in September 2010 to comply with the Heroes Earnings Assistance and Relief Tax Act of 2008 ( HEART Act ), and to reflect administration of 2009 required minimum distributions.



---

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

**Eligibility**

Employees are eligible to participate in the Plan on the first of the month following:

(1) Attainment of age 18, and

(2) Completion of 1,000 hours of credited service, as defined by the Plan Document.

Employees who are members of Utility Workers Union of America ( UWUA ) Local 341 are eligible to participate on the first day of the month following completion of one (1) year of service.

**Participant Contributions**

Participants may contribute from 1% to 85% of their compensation, as defined by the Plan Document or as limited by the Code, on a pre-tax and/or after-tax basis. Participants may elect to apply the deferral percentage to either (1) total base pay, as defined by the Plan Document, or (2) total base pay plus bonuses, commissions, incentive and overtime pay.

Employees of Northern Utilities or Granite State who are members of UWUA Local 341 or employees of Northern Utilities who are members of the USWA Local 12012-6 who elected to remain in the existing pension plan, may contribute from 1% to 75% of their compensation, as defined by the Plan Document or as limited by the Code, on a pre-tax and/or after-tax basis.

Participants who are age 50 or will turn age 50 by the end of the Plan year may be eligible to make catch-up contributions, as defined by the Plan Document and the Code.

Participants may also make rollover contributions into the Plan from other qualified plans.

As discussed above, new non-union employees and new USWA members will be automatically enrolled in the 401(k) Plan following the completion of 1,000 hours of service, with the automatic employee contribution rate of 3%. This contribution rate will automatically increase by 1% on January 1<sup>st</sup> of each year until the employee's contribution is 10% of pay. Employees may elect to opt-out of the automatic enrollment and/or automatic increase features of the enhanced 401(k) Plan.

**Employer Contributions**

The Company matches participant contributions on a dollar-for-dollar basis, up to the first three (3%) percent of their eligible compensation, as defined by the Plan Document, except as noted above and below. Overtime pay and commissions are not included in the definition of compensation eligible for matching purposes.

Employees of Northern Utilities or Granite State who are members of UWUA Local 341 or USWA Local 12012-6 and who have completed one year of service shall receive company matching contributions equal to 50% of their employee contributions which do not exceed 5% of Compensation, as defined by the Plan

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Document. As discussed above, for those USWA members who are hired on or after January 1, 2011, and for USWA members who elected to move from the Company's existing Pension Plan and accept a frozen pension benefit, the Company will increase the matching contributions from 2.5% to 6% of base pay and the Company will contribute 4% of base pay each year, regardless of whether the employee elects to contribute to the 401(k) Plan. Overtime pay and commissions are not included in the definition of compensation eligible for matching purposes.

**Participant Accounts**

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined by the Plan Document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting**

Participants are immediately vested in their contributions and rollover contributions plus actual earnings thereon. Vesting in the Company's matching contribution portion of their accounts plus actual earnings thereon is based on years of continuous service, as defined by the Plan Document, except as noted above. A participant is 100 percent vested after three years of credited service. If a participant terminates employment for any reason other than disability, death or retirement, the participant will be entitled to the full amount of contributions they have deposited, plus a percentage of their account balance derived from employer contributions based upon the following schedule:

Years of Service	% Vested
0-1	0%
1-2	33%
2-3	67%
3+	100%

A participant will become 100% vested in his or her account as a result of disability, death or retirement.

Employees who are enrolled in the enhanced 401(k) and employees of Northern Utilities and Granite State who are members of UWUA Local 341 or USWA Local 12012-6 are always 100% vested in all employee and employer contributions.

**Notes Receivable from Participants**

Participants may borrow from their account balances a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000, reduced by the highest outstanding loan balance during the preceding twelve month period, or 50% of their vested account balance. Loan terms range from 1-5 years or up to 15 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate that is fixed at the origination of the loan at the then prime rate plus one percent (1%). Principal and interest is paid ratably through monthly payroll deductions. As of December 31, 2011, there are 164 loans to participants, maturing from 2012 to 2025 with interest rates ranging between 4.25% and 9.25%.

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

**Payment of Benefits**

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, partial distribution of any portion of the account balance, or annual installments over a fixed number of calendar quarters or years. In-service distributions and hardship withdrawals are available to participants in accordance with the provisions of the Plan. Payments are generally received in cash. Participants may elect to receive in-kind distributions of employer securities.

**In-Kind Distributions**

One of the Plan's investment options is the Unitil Corporation Stock Fund, described below (comprised of Company shares and a money market fund). When receiving payment of benefits, a participant invested in the Unitil Corporation Stock Fund may elect to receive whole shares of stock (i.e. in-kind distributions), with any fractional shares, and the cash and cash equivalent portions of the underlying stock account, being distributed in cash.

**Forfeitures**

A participant who terminates his or her employment prior to becoming eligible for benefits and does not have a 100% vested right to Company contributions, forfeits the amounts not vested. Such forfeited amounts are used to reduce future Company contributions. There were no forfeitures used to reduce future Company contributions in 2011. There were \$11,969 and \$0 of unallocated forfeited amounts available to reduce future Company contributions at December 31, 2011 and 2010, respectively.

**Investment Options**

The Plan offers twenty-one investment portfolio or fund options consisting of registered investment companies (mutual funds), one pooled separate account (New York Life Anchor Account - Stable Value Fund) and the Unitil Corporation Stock Fund, described below (comprised of Company shares and a money market fund). Participants may change their investment options daily, and all investments within the Plan are participant-directed.

**Unitil Corporation Stock Fund (Unitil Corporation, no par value common stock)**

The Unitil Corporation Stock Fund ( Stock Fund ) is set up to hold common shares for the participants of the Plan and maintains liquidity in cash and cash equivalents to facilitate the timely settlement of participant transactions. Participants may allocate or withdraw their account balances between this fund and other funds without restrictions. At December 31, 2011 and 2010, the Stock Fund had approximately 3% and 4%, respectively, in cash and cash equivalents and 97% and 96%, respectively, in Company stock.

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The financial statements of the Plan are prepared under the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The New York Life Stable Value Fund is a fully benefit-responsive investment contract. As such, the Statements of Net Assets Available for Benefits presents the New York Life Stable Value Fund at fair value as well as the adjustment from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is presented on a contract value basis.

**Subsequent Events**

The Plan has evaluated all events or transactions through the date of this filing. During this period, there were no material subsequent events that impacted the Plan's financial statements.

**Management Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

**Investment Valuation and Income Recognition**

Registered investment companies (mutual funds) and money market funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Investments in the New York Life Stable Value Fund are valued at estimated fair value based on the fair value of the pooled separate account's underlying investments based on information provided by the trustee. (See Note F). The Unitil Corporation Stock Fund is stated at fair value as determined by quoted market prices of both Unitil common stock and cash equivalents held in the fund.

Interest income is recorded when earned. Dividends are recorded on the ex-dividend date. The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

**Payment of Benefits**

Benefit payments to participants are recorded when paid.

**Expenses**

The Plan's expenses are paid by the Company, as provided in the Plan Document. Investment management fees are netted against the earnings of each fund.

**New Accounting Pronouncements**

In May 2011, the FASB issued ASU No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, (ASU 2011-04). This update changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This update is effective for reporting periods beginning on or after December 15, 2011, with early adoption prohibited, and requires prospective application. The Company does not expect that the adoption of ASU 2011-04 will have a significant, if any, impact on the Plan's net assets available for benefits and changes in net assets available for benefits.

NOTE C - RISKS AND UNCERTAINTIES

The Plan provides for various investment options in any combination of stocks, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amount reported in the Statements of Net Assets Available for Benefits.

NOTE D - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan at any time subject to the provisions of ERISA with respect to its employees by a written resolution with a copy delivered to the Plan's trustee. In the event of a Plan termination, participants would become fully vested in the balance of their accounts and the Plan assets would be distributed in accordance with the terms of the Plan Document.

NOTE E - TAX STATUS

The Internal Revenue Service ( IRS ) has determined and informed the Company by a letter dated October 15, 2009 that the Plan, including amendments made through January 1, 2009, and related trust are designed in accordance with applicable sections of the Code.

**Table of Contents**

## The Unitil Corporation Tax Deferred Savings and Investment Plan

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Although the Plan has been amended subsequent to January 1, 2009, the Company believes that the Plan is currently designed and being operated in compliance with applicable requirements of the Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

## NOTE F - NEW YORK LIFE STABLE VALUE FUND

The investment in the Stable Value Fund is a pooled account with New York Life. New York Life maintains the Plan's contributions in a separate account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The investment contract issuer, New York Life, is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note B, because the investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. As such, the Statements of Net Assets Available for Benefits presents the New York Life Stable Value Fund at fair value as well as the adjustment from fair value to contract value, as shown in the table below.

	As of December 31,	
	2011	2010
New York Life Stable Value Fund - Fair Value	\$ 10,763,723	\$ 8,748,803
Adjustment from Fair Value to Contract Value	112,020	100,886
<b>New York Life Stable Value Fund - Contract Value</b>	<b>\$ 10,875,743</b>	<b>\$ 8,849,689</b>

Contract value, as reported to the Plan by New York Life, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than zero percent. Such interest rates are reviewed on a daily basis for resetting.

Certain events could limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) total or partial Plan termination; (2) changes to the Plan's prohibition on

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

competing investment options; (3) mergers; (4) spin-offs; (5) lay-offs; (6) early retirement incentive programs; (7) sales or closings of all or part of a participating plan sponsor's operations; (8) bankruptcy; (9) receivership; or (10) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

<b>Average Yields:</b>	<b>2011</b>	<b>2010</b>
Based on actual earnings	3.14%	2.64%
Based on interest rate credited to participants	2.64%	2.14%

NOTE G - FAIR VALUE OF PLAN ASSETS

The Plan follows the guidance set forth by the FASB for Plan investments. The FASB guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or from Level 2 to Level 3.

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

**Valuation Techniques**

There have been no changes in the valuation techniques used during the current period.

**Trading Securities (Mutual Funds)**

These equity securities are valued based on quoted prices from the market and include mutual funds. These securities are categorized in Level 1 as they are actively traded and no valuation adjustments have been applied.

**Unitil Corporation Stock Fund**

This fund includes publicly traded common stock of Unitil Corporation valued at quoted prices available on the New York Stock Exchange (categorized as Level 1) as well as cash and cash equivalents held in the MainStay Cash Reserve Fund I. The MainStay Cash Reserve Fund I is categorized as Level 1 as it is actively traded and no valuation adjustments have been applied.

**Stable Value Fund**

Investments in the pooled separate account are valued based on the fair value of the underlying investments based on information provided by the trustee. These investments are categorized as Level 2.



**Table of Contents**

## The Unitil Corporation Tax Deferred Savings and Investment Plan

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Assets measured at fair value on a recurring basis as of December 31, 2011 are as follows:

Description	Balance as of December 31, 2011	Fair Value Measurements at Reporting Date Using		
		Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Mutual Funds:</b>				
Asset Allocation Funds	\$ 2,201,995	\$ 2,201,995	\$	\$
Growth & Income Funds	6,701,181	6,701,181		
Growth Funds	10,629,616	10,629,616		
Income Funds	5,161,251	5,161,251		
International Fund	1,962,377	1,962,377		
<b>Total Mutual Funds</b>	<b>26,656,420</b>	<b>26,656,420</b>		
<b>Common Stock Fund:</b>				
Unitil Corporation Common Stock	6,071,532	6,071,532		
MainStay Cash Reserve Fund I	213,573	213,573		
<b>Total Common Stock Fund</b>	<b>6,285,105</b>	<b>6,285,105</b>		
Stable Value Fund	10,763,723		10,763,723	
<b>Total Assets</b>	<b>\$ 43,705,248</b>	<b>\$ 32,941,525</b>	<b>\$ 10,763,723</b>	<b>\$</b>

**Table of Contents**

## The Unitil Corporation Tax Deferred Savings and Investment Plan

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Assets measured at fair value on a recurring basis as of December 31, 2010 are as follows:

Description	Balance as of December 31, 2010	Fair Value Measurements at Reporting Date Using		
		Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Mutual Funds:</b>				
Asset Allocation Funds	\$ 1,648,931	\$ 1,648,931		\$
Growth & Income Funds	6,713,480	6,713,480		
Growth Funds	12,014,277	12,014,277		
Income Funds	4,350,360	4,350,360		
International Fund	2,639,405	2,639,405		
<b>Total Mutual Funds</b>	<b>27,366,453</b>	<b>27,366,453</b>		
<b>Common Stock Fund:</b>				
Unitil Corporation Common Stock	4,866,815	4,866,815		
MainStay Cash Reserve Fund I	178,985	178,985		
<b>Total Common Stock Fund</b>	<b>5,045,800</b>	<b>5,045,800</b>		
Stable Value Fund	8,748,803		8,748,803	
<b>Total Assets</b>	<b>\$ 41,161,056</b>	<b>\$ 32,412,253</b>	<b>\$ 8,748,803</b>	<b>\$</b>

**Table of Contents**

## The Unitil Corporation Tax Deferred Savings and Investment Plan

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

## NOTE H - INVESTMENTS

The table below shows the net appreciation (depreciation) in fair value of the Plan's investments (including gains and losses on investments realized, as well as held during the year) for the year ended December 31, 2011:

	For the Year Ended December 31, 2011
Registered Investment Companies (at fair value):	
American Balanced Fund	\$ 28,495
Growth Fund of America	(417,668)
MainStay High Yield Corporate Bond Fund	(20,700)
PIMCO Real Return Fund	32,265
PIMCO Total Return Fund	5,617
Columbia Acorn Select Fund Z	(72,703)
BlackRock LifePath Retirement Fund	(5,851)
BlackRock LifePath 2020 Fund	(42,245)
BlackRock LifePath 2030 Fund	(19,744)
BlackRock LifePath 2040 Fund	(12,429)
MainStay S&P 500 Index Fund	9,973
Columbia Mid Cap Index Fund	(38,722)
Van Kampen Growth and Income Fund	(101,550)
Davis New York Venture Fund	(68,209)
Jennison Small Company Fund Z	(18,319)
Third Avenue Small Cap Value Fund	(10,381)
JP Morgan Mid Cap Value Fund	8,602
Royce Low-Priced Stock Fund	(272,742)
Manning & Napier World Opportunities Fund A	(533,579)
	(1,549,890)
Common Stock Fund (at fair value):	
Unitil Corporation Stock Fund	1,195,115
Total	\$ (354,775)

**Table of Contents**

## The Unitil Corporation Tax Deferred Savings and Investment Plan

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

The following table shows investments that represent 5% or more of the Plan's Net Assets Available for Benefits as of December 31, 2011 and 2010, respectively.

Funds (at fair value):	2011		2010	
	Amount	% of Net Assets Available For Benefits	Amount	% of Net Assets Available For Benefits
New York Life Stable Value Fund	\$ 10,875,743*	24.1%	\$ 8,849,689*	20.9%
Growth Fund of America	\$ 6,794,598	15.1%	\$ 7,898,754	18.6%
Unitil Corporation Stock Fund	\$ 6,285,105	14.0%	\$ 5,045,800	11.9%
Van Kampen Growth and Income Fund	\$ 2,812,155	6.2%	\$ 3,018,953	7.1%
PIMCO Total Return Fund	\$ 2,741,442	6.1%	\$ 2,436,980	5.7%
Manning & Napier World Opportunities Fund A	\$ 1,962,377**	4.4%	\$ 2,639,405	6.2%

\* Amount represents contract value for the investment.

\*\* Did not represent 5% or more of the Plan's Net Assets Available for Benefits as of December 31, 2011, only as of December 31, 2010.

## NOTE I - UNITIL CORPORATION STOCK FUND

Information about the significant components of the change in net assets relating to the Unitil Corporation Stock Fund as of and for the year ended December 31, 2011 is as follows:

Fair Value, beginning of year	\$ 5,045,800
Contributions:	
Participant	212,556
Employer	96,015
Rollover	2,136
Loan Repayments	102,034
<b>Total Contributions</b>	<b>412,741</b>
Interest and Dividend Reinvestment Income	291,657
Net Appreciation in Fair Value	1,195,115
Benefits Paid to Participants	(220,544)
Loans to Participants	(96,964)
Interfund Transfers and Other	(342,700)
<b>Fair Value, end of year</b>	<b>\$ 6,285,105</b>

## NOTE J - PARTY-IN-INTEREST TRANSACTIONS

## Edgar Filing: UNITIL CORP - Form 11-K

Certain Plan investments such as shares of registered investment companies in the Mainstay fund family and the New York Life Stable Value Fund are managed by affiliates of New York Life Trust

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Company, the trustee of the Plan, and therefore, these transactions qualify as party-in-interest transactions as that term is defined in Section 3(14) of ERISA. Also included in the Plan's assets are common shares of Unitil Corporation, the Plan's sponsor, and notes receivable from participants. These transactions also qualify as party-in-interest transactions.

NOTE K - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

As of December 31,	2011	2010
Net assets available for benefits per the financial statements	\$ 45,044,266	\$ 42,407,950
Differences in:		
Investments	1,226,998	1,143,489
Notes receivable from participants	(1,226,998)	(1,143,489)
Adjustment from contract value to fair value for interest in fully benefit-responsive contract	(112,020)	(100,886)
Net assets available for benefits per the Form 5500	\$ 44,932,246	\$ 42,307,064

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500:

As of December 31,	2011
Net increase in net assets available for benefits per the financial statements	\$ 2,636,316
Increase in the adjustment from contract value to fair value for interest in fully benefit-responsive contract	(11,134)
Net increase in net assets available for benefits per the Form 5500	\$ 2,625,182

**Table of Contents**

SUPPLEMENTAL INFORMATION

**Table of Contents**

The Unitil Corporation Tax Deferred Savings and Investment Plan

Employer Identification Number 02-0381573

Plan Number 002

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

December 31, 2011

(a)	(b)	(c) Description of Investment				(d)	(e)
Identity of Insurer, Borrower, Lessor or Similar Party	Type of Investment	Maturity Date	Rate of Interest	Collateral	Par or Maturity Value	Cost	Current Value
American Balanced Fund	Registered Investment Company	n/a	n/a	n/a	n/a	n/a	\$ 1,632,274
Growth Fund of America		n/a	n/a	n/a	n/a	n/a	6,794,598
* Mainstay High Yield Corporate Bond Fund		n/a	n/a	n/a	n/a	n/a	1,065,306
PIMCO Real Return Fund		n/a	n/a	n/a	n/a	n/a	1,354,503
PIMCO Total Return Fund		n/a	n/a	n/a	n/a	n/a	2,741,442
Columbia Acorn Select Fund Z		n/a	n/a	n/a	n/a	n/a	415,212
BlackRock LifePath Retirement Fund		n/a	n/a	n/a	n/a	n/a	462,520
BlackRock LifePath 2020 Fund		n/a	n/a	n/a	n/a	n/a	856,270
BlackRock LifePath 2030 Fund		n/a	n/a	n/a	n/a	n/a	548,908
BlackRock LifePath 2040 Fund		n/a	n/a	n/a	n/a	n/a	334,297
* MainStay S&P 500 Index Fund		n/a	n/a	n/a	n/a	n/a	1,654,586
Columbia Mid Cap Index Fund		n/a	n/a	n/a	n/a	n/a	602,166
Van Kampen Growth and Income Fund		n/a	n/a	n/a	n/a	n/a	2,812,155
Davis New York Venture Fund		n/a	n/a	n/a	n/a	n/a	481,977
Jennison Small Company Fund Z		n/a	n/a	n/a	n/a	n/a	715,182
Third Avenue Small Cap Value Fund		n/a	n/a	n/a	n/a	n/a	208,686
JP Morgan Mid Cap Value Fund		n/a	n/a	n/a	n/a	n/a	845,114
Royce Low-Priced Stock Fund		n/a	n/a	n/a	n/a	n/a	1,168,847
Manning & Napier World Opportunities Fund A		n/a	n/a	n/a	n/a	n/a	1,962,377
* New York Life Stable Value Fund	Pooled						
	Separate						
	Account	n/a	3.14%	n/a	n/a	n/a	10,763,723
* Unitil Corporation Stock Fund	Unitized						
	Stock Fund	n/a	n/a	n/a	n/a	n/a	6,285,105
* Notes Receivable from Participants	Participant						
	Loans	varies	4.25% - 9.25%	n/a	n/a	\$	1,226,998
<b>Total</b>							<b>\$ 44,932,246</b>



\* Represents a party-in-interest to the Plan

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE UNITIL CORPORATION

TAX DEFERRED SAVINGS AND

INVESTMENT PLAN

(Name of Plan)

Date: June 27, 2012

/s/ Mark H. Collin  
Mark H. Collin  
Chief Financial Officer