

UNITIL CORP
Form PRE 14A
July 03, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Unitil Corporation

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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(1) Title of each class of securities to which transaction applies: "

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(2) Aggregate number of securities to which transaction applies: "

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed: "

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Hampton, New Hampshire

, 2008

To the Shareholders:

You are hereby notified that a special meeting of shareholders of Unitil Corporation (the Company) will be held at the office of the Company, 6 Liberty Lane West, Hampton, New Hampshire, on _____, 2008 at 10:30 a.m. (local time) for the following purposes:

1. To approve and adopt an amendment to the Company's Articles of Incorporation, as amended, to increase the authorized number of shares of common stock, no par value per share, of the Company from 8,000,000 shares to 16,000,000 shares in the aggregate.
2. To act on such other matters as may properly come before the meeting and any adjournments thereof.

The enclosed form of proxy has been prepared at the direction of the Company's Board of Directors and is sent to you at its request. The persons named in said proxy have been designated by the Board of Directors.

The Board of Directors fixed _____, 2008 as the date for determining holders of record of common stock, no par value per share, who are entitled to notice of, and to vote at, this meeting and any adjournments thereof.

Your vote is very important. In order to save the Company the expense of further solicitation to ensure a quorum is present at the meeting, please be sure your shares are represented at the meeting and complete and return the enclosed proxy card promptly, regardless of whether you plan to attend the meeting. If for any reason you desire to revoke or change your proxy, you may do so at any time prior to the meeting, or in person at the meeting.

By Order of the Board of Directors,

Sandra L. Whitney

Corporate Secretary

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Unitil Corporation

6 Liberty Lane West

Hampton, New Hampshire 03842-1720

PROXY STATEMENT

SPECIAL MEETING OF SHAREHOLDERS

, 2008

This proxy statement and the accompanying proxy card are being provided to shareholders in connection with the Special Meeting of Shareholders (the Special Meeting) of Unitil Corporation (the Company). As a shareholder of the Company, you are invited to attend the Special Meeting, as well as entitled to and requested to vote on the proposal described in this proxy statement. This proxy statement provides information to assist you in voting your shares.

The Company anticipates first mailing this proxy statement and the accompanying proxy card to shareholders on or about _____, 2008.

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Introduction

The Special Meeting will be held for the following purposes:

1. To approve and adopt an amendment to the Company's Articles of Incorporation, as amended, to increase the authorized number of shares of common stock, no par value per share (the Common Stock), from 8,000,000 shares to 16,000,000 shares in the aggregate.
2. To act on such other matters as may properly come before the Special Meeting and any adjournments thereof.

With respect to the first proposal, the Company intends to sell and issue up to 4,000,000 shares of Common Stock in a public offering to partially finance the proposed acquisition by the Company of all of the outstanding capital stock of Northern Utilities, Inc. (Northern Utilities) and Granite State Gas Transmission, Inc. (Granite State) by means of a stock purchase (the Proposed Acquisitions). At present, the Company's authorized shares of Common Stock available for issuance are insufficient for this purpose. If the first proposal is not approved by the Company's shareholders, or if the first approval is approved but the public offering is delayed or is not completed in whole or in part for any reason, then the Company will use a bridge credit facility or other debt financing to finance the Proposed Acquisitions. The bridge credit facility provides for a loan of up to eleven months during which period the Company will need to arrange alternative financing.

A vote of the Company's shareholders is not required to approve the Proposed Acquisitions. The Company is contractually obligated to complete the Proposed Acquisitions pursuant to the Stock Purchase Agreement dated as of February 15, 2008 (the Stock Purchase Agreement) by and among the Company, NiSource Inc. (NiSource) and Bay State Gas Company (Bay State) regardless of whether the Company is able to obtain adequate financing.

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Summary Term Sheet for the Proposed Acquisitions

The following summary term sheet is intended to serve as an overview of certain material terms of the Proposed Acquisitions. This summary term sheet is not complete, may not contain all of the information that is important to the Company's shareholders, and is qualified in its entirety by reference to additional information in this proxy statement and to the complete text of the Stock Purchase Agreement. A copy of the Stock Purchase Agreement was filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the SEC) on February 20, 2008 and is incorporated herein by reference.

Parties to the Stock Purchase Agreement

Unitil Corporation
6 Liberty Lane West
Hampton, New Hampshire 03842-1720
Telephone: (800) 999-6501

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
Telephone: (877) 647-5990

Bay State Gas Company
c/o NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410
Telephone: (877) 647-5990

For a more detailed discussion regarding the Company, please see the section entitled *The Company's Financial and Other Information*.

Targets of the Proposed Acquisitions

The targets of the Proposed Acquisitions are:

(i) Northern Utilities, a wholly owned subsidiary of Bay State (Bay State is a wholly owned subsidiary of NiSource); and

(ii) Granite State, a wholly owned subsidiary of NiSource.

For a more detailed discussion regarding Northern Utilities and Granite State, please see the sections entitled *Northern Utilities Financial and Other Information* and *Granite State's Financial and Other Information*.

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Description of the Proposed Acquisitions

On February 15, 2008, the Company, NiSource, and Bay State entered into the Stock Purchase Agreement pursuant to which the Company agreed to acquire (i) all of the outstanding shares of capital stock of Northern Utilities from Bay State and (ii) all of the outstanding shares of capital stock of Granite State from NiSource.

For a more detailed discussion regarding the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions*.

Consideration for the Proposed Acquisitions

In consideration for the Proposed Acquisitions, the Company has agreed to pay NiSource and Bay State an aggregate of \$160 million in cash, subject to a working capital adjustment.

For a more detailed discussion regarding the consideration for the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions*.

Financing for the Proposed Acquisitions

The Company expects to finance the Proposed Acquisitions through (i) the sale and issuance of up to 4,000,000 shares of Common Stock in a public offering and (ii) the sale and issuance of debt at the subsidiary level. At present, the Company's authorized shares of Common Stock available for issuance are insufficient for this purpose. Therefore, the Company is requesting that its shareholders approve and adopt Proposal No. 1 (as defined below). If Proposal No. 1 is not approved by the Company's shareholders, or if Proposal No. 1 is approved but the public offering is delayed or is not completed in whole or in part for any reason, then the Company will use a bridge credit facility or other debt financing to finance the Proposed Acquisitions. The bridge credit facility provides for a loan of up to eleven months during which period the Company will need to arrange alternative financing.

A vote of the Company's shareholders is not required to approve the Proposed Acquisitions. The Company is contractually obligated to complete the Proposed Acquisitions pursuant to the Stock Purchase Agreement regardless of whether the Company is able to obtain adequate financing.

For a more detailed discussion regarding the consideration for the Proposed Acquisitions, please see the section entitled *Risks Relating to the Proposed Acquisitions*.

Closing of the Proposed Acquisitions

The Proposed Acquisitions are expected to close during the fourth quarter of 2008, however there is no assurance that the Proposed Acquisitions will close at that time.

For a more detailed discussion regarding the closing of the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions Description of the Proposed Acquisitions*.

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Regulatory Requirements for and Approvals of the Proposed Acquisitions

The Proposed Acquisitions are subject to (i) approval by the Maine Public Utilities Commission (the Maine Commission) and the State of New Hampshire Public Utilities Commission (the New Hampshire Commission) and (ii) review by certain federal agencies (including compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, with respect to which early termination of the waiting period was granted effective May 19, 2008).

For a more detailed discussion regarding Regulatory Requirements and Approvals relating to the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions Description of the Proposed Acquisitions*.

Closing Conditions for the Proposed Acquisitions

The Proposed Acquisitions are subject to customary closing conditions, including:

- (i) certain regulatory requirements and approvals;
- (ii) certain third-party consents;
- (iii) the Company, NiSource, and Bay State entering into a transition services agreement; and
- (iv) no court or governmental entity having enacted, issued, promulgated, enforced or entered any statute, law, ordinance, rule, regulation, judgment, decree, injunction or other order restraining, enjoining, or otherwise prohibiting consummation of the Proposed Acquisitions.

For a more detailed discussion regarding closing conditions for the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions Description of the Proposed Acquisitions*.

Indemnification Relating to the Proposed Acquisitions

The Stock Purchase Agreement provides that NiSource and Bay State will indemnify the Company for certain losses as described therein. The indemnification provided by NiSource and Bay State is subject to (i) a per claim minimum indemnification limit of \$100,000, (ii) an aggregate claims minimum indemnification limit of 1% of the purchase price, and (iii) an aggregate claims maximum indemnification limit of 10% of the purchase price

(other than the tax indemnification provided by NiSource and Bay State, which is not subject to any dollar limit).

For a more detailed discussion regarding indemnification relating to the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions Description of the Proposed Acquisitions*.

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Reasons for Engaging in the Proposed Acquisitions

The Company's Board of Directors (the Board of Directors) believes that the Proposed Acquisitions and related transactions will result in the following significant benefits to the Company:

a strategically attractive growth opportunity consistent with the Company's strategy;

increased financial strength and stability;

organizational efficiency;

reduced operating expenses and cash flow savings; and

opportunity for improved regulated utility operating earnings through the execution of the Company's regulatory plan.

The Board of Directors also believes that the Proposed Acquisitions and related transactions will result in the following significant benefits to the Company's other stakeholders:

increased commitment to local communities; and

improved customer convenience and service.

For a more detailed discussion regarding the Company's reasons for engaging in the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions - Reasons for Engaging in the Proposed Acquisitions; Estimated Potential Synergies Attributable to the Proposed Acquisitions*.

Vote Required for the Approval of the Proposed Acquisitions

A vote of the Company's shareholders is not required to approve the Proposed Acquisitions. However, the Company expects to finance the Proposed Acquisitions through (i) the sale and issuance of Common Stock in a public

offering and (ii) the sale and issuance of debt at the subsidiary level. At present, the Company's authorized shares of Common Stock available for issuance are insufficient for this purpose. Therefore, the Company is requesting that its shareholders approve and adopt an amendment to the Company's Articles of Incorporation, as amended, to increase the authorized number of shares of Common Stock from 8,000,000 shares to 16,000,000 shares in the aggregate.

For a more detailed discussion regarding the shareholder vote required for approving and adopting the amendment referred to above, please see the sections entitled *Information About the Special Meeting* and *Proposal No. 1 Amendment of the Articles of Incorporation*.

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Material Differences in the Rights of the Company's Shareholders as a Result of the Proposed Acquisitions

The amendment referred to above will not affect the rights of existing holders of Common Stock except that the issuance of additional shares of Common Stock will reduce each existing shareholder's proportionate ownership of the Company. The additional shares of Common Stock will have the same rights and privileges as the shares of Common Stock presently issued and outstanding.

For a more detailed discussion regarding the rights of holders of Common Stock, please see the section entitled *Proposal No. 1 Amendment of the Articles of Incorporation Preemptive and Other Rights*.

Accounting Treatment of the Proposed Acquisitions

The Company intends to account for the acquisition of Northern Utilities and Granite State under the purchase method of accounting for business combinations, in accordance with Financial Accounting Standards Board Statement No. 141, *Business Combinations* (SFAS No. 141). In that process, the Company will recognize and measure the identifiable assets acquired and the liabilities assumed at fair value. Also, the Company will measure and recognize any acquisition adjustment related to a purchase premium or bargain relative to the fair values acquired against the purchase price.

If the Proposed Acquisitions are completed subsequent to December 31, 2008, the Company will account for the Proposed Acquisitions in accordance with Financial Accounting Standards Board Statement No. 141 (Revised 2007), *Business Combinations* (SFAS No. 141R).

For a more detailed discussion regarding the accounting treatment of the Proposed Acquisitions, please see the section entitled *The Proposed Acquisitions Accounting Treatment of the Proposed Acquisitions*.

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Information about the Special Meeting

Date, Time, and Place

The Special Meeting will be held on _____, 2008 at 10:30 a.m. at the office of the Company, 6 Liberty Lane West, Hampton, New Hampshire.

Anticipated Mailing Date

The Company anticipates first mailing this proxy statement and the accompanying proxy card to shareholders on or about _____, 2008.

Matters to be Considered

The Special Meeting will be held for the following purposes:

1. To approve and adopt an amendment to the Company's Articles of Incorporation, as amended, to increase the authorized number of shares of Common Stock from 8,000,000 shares to 16,000,000 shares in the aggregate (Proposal No. 1).
2. To act on such other matters as may properly come before the Special Meeting and any adjournments thereof.

Information on Proposal No. 1 is included in the section entitled Proposal No. 1 Amendment of the Articles of Incorporation. The Board of Directors recommends a vote **FOR** Proposal No. 1.

Record Date; Number of Shares Outstanding

You are entitled to receive notice of and to vote at the Special Meeting if you own shares of Common Stock as of the close of business on _____, 2008 (the Record Date). As of the Record Date, the Company had _____ shares of Common Stock issued and outstanding and entitled to vote at the Special Meeting.

Quorum

In order to conduct the Special Meeting, a majority of the outstanding shares of Common Stock entitled to vote must be present or be represented by proxy. This is referred to as a quorum.

Voting Rights and Procedures

You may cast one vote for each share of Common Stock you own on all matters presented at the Special Meeting.

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If your shares are registered directly in your name with the Company's transfer agent, Computershare Trust Company, N.A., (Computershare) as of the Record Date, you are considered the holder of record, and the Company has sent the proxy materials and proxy card directly to you. As a holder of record, you may vote your shares by returning the enclosed proxy card, or you may vote your shares in person at the Special Meeting. If your shares are held in the name of a bank, brokerage account or other nominee as of the Record Date, you are considered the beneficial owner of the shares held in street name. Your bank, broker or other nominee has sent you the proxy materials and a vote instruction form. You have the right to direct your bank, broker, or other nominee on how to vote the shares by completing and returning the vote instruction form or by following the voting instructions provided. If you wish to attend the Special Meeting and vote your shares in person, you must first obtain a legal proxy from your bank, broker or other nominee giving you the right to vote your shares at the Special Meeting.

Every properly signed or submitted proxy will be voted unless previously revoked. If no instructions are specified on a returned proxy card, shares will be voted **FOR** Proposal No. 1.

Representatives of the Company's transfer agent, Computershare, will count the votes and certify the election results.

Proxy; Revocability of Proxy

A proxy is your legal designation of another person, the proxy, to vote on your behalf. With the completion and return of your proxy card, you are giving the persons appointed as proxies by the Board of Directors, Robert G. Schoenberger and Mark H. Collin, the authority to vote your shares in the manner indicated on your proxy card.

You have the right to revoke your proxy at any time before the Special Meeting. If you are a holder of record, you may revoke your proxy (i) by contacting the Company's Corporate Secretary at (800) 999-6501 or at the address listed in the section entitled *Summary Term Sheet for the Proposed Acquisitions Parties to the Stock Purchase Agreement* prior to the Special Meeting or (ii) in person at the Special Meeting. The latest-dated, properly completed proxy that you submit will count as your vote. If you are a beneficial owner and your shares are held in street name, you must contact your bank, broker or other nominee and follow their procedures for revoking your proxy or changing your vote instructions.

Rights of Appraisal

There are no rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon at the Special Meeting.

Required Vote, Abstentions, and Non-Votes

Assuming a quorum is present, with respect to all matters that may come before the Special Meeting, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action.

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Abstentions and non-votes will not constitute a vote cast and therefore will have no effect on the action.

Persons Making the Solicitation

The Board of Directors is soliciting your proxy to vote your shares at the Special Meeting. For a more detailed discussion regarding the solicitation of proxies, please see the section entitled *Solicitation of Proxies*.

Change of Control Arrangements

The Company maintains Change of Control Agreements with certain key management employees, including each executive officer named in the Summary Compensation Table contained in the Company's proxy statement dated as of February 12, 2008 (each a Named Executive Officer), so that key management employees will make decisions and take actions that are in the best interest of shareholders and not be unduly influenced by the fear of job loss. The Board of Directors approves all Change of Control Agreements. The Company maintains both two-year (executed in 2001 and later) Change of Control Agreements and three-year (executed prior to 2001) Change of Control Agreements. All Change of Control Agreements are double trigger agreements, which means that the following two events must occur in order for benefits to be paid: (i) a change of control and (ii) an adverse employment action. Double trigger agreements were chosen to protect the shareholders from executives choosing to leave the Company as result of a change of control where there is no adverse employment action. Each Change of Control Agreement becomes effective, and the severance benefit becomes potentially payable, exclusively upon the occurrence of a change of control of the Company.

Each Change of Control Agreement also provides for the continuation of all employee benefits for a period of two or three years, based on the term of the agreement, commencing with the month in which the termination occurs. In the event that any payments made in connection with a change of control would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended, the Company will gross up, on an after-tax basis, the Named Executive Officers' compensation for that excise tax. The severance benefit is a lump sum cash payment made from the general funds of the Company. The Company is not required to establish a special or separate fund or other segregation of assets to assure such payments.

The Proposed Acquisitions will not cause a change of control of the Company for purposes of the Change of Control Agreements and therefore no severance benefits will become potentially payable as a result of the consummation of the Proposed Acquisitions.

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Voting Securities and Principal Holders Thereof

No person owns of record and, to the knowledge of the Company, no person owns beneficially, more than five percent of the Common Stock that may be voted at the Special Meeting.

The following table sets forth information on the beneficial ownership of Common Stock by the Directors, the Named Executive Officers, and all Directors and executive officers as a group, in each case as of the Record Date. To the Company's knowledge, each Director and executive officer has sole voting and investment power with respect to the shares reported, except as otherwise noted in the footnotes to the following table. The address of each of the Company's Directors and executive officers is c/o Unitil Corporation, 6 Liberty Lane West Hampton, New Hampshire 03842-1720.

<u>Name of Person or Group</u>	<u>Amount and Nature of Beneficial Ownership of Common Stock (1)</u>	<u>Percent of Class</u>
Dr. Robert V. Antonucci	832	*
Director		
David P. Brownell	2,637	*
Director		
Michael J. Dalton (2)	37,082	*
Director		
Albert H. Elfner, III	6,549	*
Director		
Edward F. Godfrey	2,058	*
Director		
Michael B. Green	1,687	*
Director		
Eben S. Moulton	2,994	*
Director		
M. Brian O Shaughnessy	3,834	*
Director		
Charles H. Tenney III (3)	148,484	%
Director		

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Dr. Sarah P. Voll	1,641	*
Director		
Robert G. Schoenberger (4)	98,918	%
Chairman of the Board, Chief Executive Officer and President		
Mark H. Collin (5)	14,878	*
Senior Vice President, Chief Financial Officer and Treasurer		
Thomas P. Meissner, Jr. (6)	12,478	*
Senior Vice President and Chief Operating Officer		
George R. Gantz (7)	17,722	*
Senior Vice President, Unitil Service Corp.		
Todd R. Black (8)	10,847	*
President, Usource, Inc.		
All Directors and Executive Officers as a Group (19 Persons) (9)	391,445	%

* Represents less than 1% of the Company's outstanding Common Stock.

(1) Based on information furnished to the Company by the Directors and executive officers.

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- (2) Included are 8,088 shares held by a member of Mr. Dalton's family. Mr. Dalton has no voting rights or investment power with respect to, and no beneficial interest in, such shares.
- (3) Included are 1,119 shares that are held in trust for Mr. Tenney under the terms of the Unitil Tax Deferred Savings and Investment Plan (401(k)). Mr. Tenney has voting power only with respect to the shares credited to his account. Also included are 142,986 shares that are held by The Charles H. Tenney, II 1995 Trust, of which Mr. Tenney is the co-trustee. Mr. Tenney has shared voting power and shared dispositive power with respect to such shares and a 50% pecuniary interest in such shares. Does not include (i) 7,378 shares that are held by The Tenney Trust or (ii) 2,261 shares that are held by The Trust under the Will of Charles H. Tenney, II, in each case in which Mr. Tenney has a pecuniary interest in such shares but does not have voting power or dispositive power with respect to such shares.
- (4) Included are 3,006 shares that are held in trust for Mr. Schoenberger under the terms of the 401(k). Mr. Schoenberger has voting power only with respect to the shares credited to his account. Also included are 60,000 fully vested option shares that Mr. Schoenberger has the right to purchase upon the exercise of that option under the terms of the Company's 1998 Stock Option Plan, and 11,475 shares of unvested restricted stock granted under the terms and conditions of the Company's Restricted Stock Plan.
- (5) Included are 1,589 shares that are held in trust for Mr. Collin under the terms of the 401(k). Mr. Collin has voting power only with respect to the shares credited to his account. Also included are 5,000 option shares that Mr. Collin has the right to purchase upon the exercise of that option under the terms of the Company's 1998 Stock Option Plan, and 3,684 shares of unvested restricted stock granted under the terms and conditions of the Company's Restricted Stock Plan.
- (6) Included are 588 shares that are held in trust for Mr. Meissner under the terms of the 401(k). Mr. Meissner has voting power only with respect to the shares credited to his account. Also included are 3,000 option shares that Mr. Meissner has the right to purchase upon the exercise of that option under the terms of the Company's 1998 Stock Option Plan, and 3,834 shares of unvested restricted stock granted under the terms and conditions of the Company's Restricted Stock Plan.
- (7) Included are 7,500 option shares that Mr. Gantz has the right to purchase upon the exercise of that option under the terms of the Company's 1998 Stock Option Plan, and 2,150 shares of unvested restricted stock granted under the terms and conditions of the Company's Restricted Stock Plan.
- (8) Included are 737 shares that are held in trust for Mr. Black under the terms of the 401(k). Mr. Black has voting power only with respect to the shares credited to his account. Also included are 6,000 option shares that Mr. Black has the right to purchase upon the exercise of that option under the Company's 1998 Stock Option Plan, and 1,351 shares of unvested restricted stock granted under the terms and conditions of the Company's Restricted Stock Plan.
- (9) Included are 93,500 option shares that Executive Officers have the right to purchase upon the exercise of options under the terms of the Company's 1998 Stock Option Plan, and 26,020 shares of unvested restricted stock granted under the terms and conditions of the Company's Restricted Stock Plan. No Director or executive officer has pledged any shares of Common Stock.

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Forward-Looking Statements

This proxy statement, the documents incorporated by reference into this proxy statement, and the documents accompanying this proxy statement may contain statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Other than statements of historical fact, all statements included in, incorporated by reference into, or accompanying this proxy statement are forward-looking statements including, without limitation, statements regarding the financial position, business strategy and other plans and objectives for the Company's future operations. These forward-looking statements include declarations regarding the Company's beliefs and current expectations. In some instances, these forward-looking statements can be identified by terminology such as may, will, should, expects, plans, anticipates, believes, estimates, predicts, continue or the negative of such terms or other comparable terminology. These forward-looking statements are subject to inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include the following:

the Company's ability to integrate the business, operations, and personnel of Northern Utilities and Granite State following the consummation of the Proposed Acquisitions, as described in the section entitled *The Proposed Acquisitions*;

the ability of the Company, Northern Utilities, and Granite State to retain their existing customers and gain new customers prior to and following the Proposed Acquisitions;

variations in weather;

changes in the regulatory environment;

customers' preferences for energy sources;

interest rate fluctuation and credit market concerns;

general economic conditions;

fluctuations in supply, demand, transmission capacity and prices for energy commodities;

increased competition; and

customers' future performance under multi-year energy brokering contracts.

Further information on risks and uncertainties are included in the section entitled *Risks Relating to the Proposed Acquisitions* and in the Company's periodic reports filed with the SEC, including, without limitation, the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and the Company's Quarterly Report on Form 10-Q for fiscal quarter ended March 31, 2008. Many of these risks and uncertainties are beyond the Company's control. Any forward-looking statements speak only as of the date of this report, and the Company undertakes no obligation to update any forward-looking

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