

UNITIL CORP
Form DEF 14A
March 19, 2018
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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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 Under Rule 14a-12

UNITIL CORPORATION

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

5. Total fee paid:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1. Amount previously paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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March 19, 2018

Dear Fellow Shareholder,

I am pleased to invite you to attend the Unitil Corporation Annual Meeting of Shareholders. The meeting will be held on Wednesday, April 25, 2018, at 11:30 a.m., at the Company's corporate headquarters, 6 Liberty Lane West, Hampton, New Hampshire. This year, we are asking shareholders to vote on the election of one director, and on the ratification of the selection of independent registered public accountants. Also this year, shareholders will be presented with an advisory vote on executive compensation.

Your vote is very important. I encourage you to vote to ensure that your voice is represented at the meeting, and to play a part in the future of the Company. The enclosed proxy materials provide important information about the Company to assist you with your voting decisions, as well as instructions to submit your vote.

I would like to thank you for choosing to invest in Unitil Corporation. The Company's vision statement and philosophy reflect our deep commitment to our shareholders, customers, local communities and partners. We provide more than just electricity and gas services and products. Our talented and dedicated people are proud to provide for the necessities of life with the safe and reliable delivery of natural gas and electricity throughout New England. *Energy for life* is the statement of pride and commitment that we use to describe this philosophy.

On behalf of the directors and management of Unitil Corporation, thank you for your continued support and confidence in 2018.

Sincerely,

Robert G. Schoenberger

Chairman of the Board,

Chief Executive Officer and

President

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Hampton, New Hampshire

March 19, 2018

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Board of Directors and management of Unitil Corporation (the Company) is pleased to invite you to attend the 2018 Annual Meeting of Shareholders, which will be held at the office of the Company, 6 Liberty Lane West, Hampton, New Hampshire, on Wednesday, April 25, 2018, at 11:30 A.M. for the following purposes:

1. Election of one Director of the Company, nominated by the Board of Directors, to serve a three-year term;
2. Ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2018;
3. Approval, on an advisory basis, of the compensation of the Company's named executive officers; and
4. Transaction of any other business as may properly be brought before the meeting.

The Board of Directors set February 16, 2018 as the date for determining holders of record of common stock who are entitled to notice of and to vote at the meeting or at any adjournments or postponements of the meeting. The Board of Directors has directed the Company to prepare this notice, the accompanying proxy statement, and the accompanying annual report, and to send them to you.

By Order of the Board of Directors,

Sandra L. Whitney

Corporate Secretary

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YOUR VOTE IS IMPORTANT

Your vote is important. To ensure a quorum is present at the Annual Meeting of Shareholders, please be sure your shares are represented at the meeting.

You may vote in one of the following ways:

Shareholders of Record

By Mail

Sign, date and return the enclosed proxy card (a self-addressed envelope is enclosed for your convenience)

Beneficial Owners

By Mail

Direct your bank, broker or other nominee on how to vote your shares in accordance with the instructions provided to you

Via the Internet

Submit your proxy at www.investorvote.com/UTL

Via the Internet

In Person at the Meeting

A meeting ballot will be provided for voting at the meeting

In Person at the Meeting

A legal proxy is required, which can be obtained from your bank broker or other nominee; a meeting ballot will be provided for voting at 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 by following the procedures described in the accompanying proxy statement or in person at the meeting.

If for any reason you desire to revoke or change your voting instructions, you must contact your bank, broker or other nominee and follow its procedures for revoking or changing your voting instructions.

ATTENDING THE ANNUAL MEETING OF SHAREHOLDERS

All shareholders who wish to attend the Annual Meeting of Shareholders in person are encouraged to do so. However, to ensure that the meeting remains orderly and secure, you must follow certain protocols for admittance. Shareholders of record will need to provide their admission ticket or their name and government-issued picture identification. Beneficial owners will need to provide a copy of an account statement from the bank, broker or nominee holding the shares as proof of ownership as of the Record Date, as well as government-issued picture identification.

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Unitil Corporation
6 Liberty Lane West
Hampton, NH 03842-1720

March 19, 2018

PROXY STATEMENT

Unitil Corporation (Unitil or the Company) is providing this proxy statement and the accompanying annual report (which includes the Company s Annual Report on Form 10-K for fiscal year 2017) to shareholders in connection with the Company s 2018 Annual Meeting of Shareholders (the Annual Meeting). The Company s Board of Directors (the Board) is soliciting your designation of a proxy to vote your shares at the Annual Meeting. As a shareholder of the Company, you are invited to attend the Annual Meeting, as well as entitled and requested to vote (if you are a shareholder of record) or to provide voting instructions (if you beneficially own your shares in street name) on the proposals described in this proxy statement. This proxy statement provides information to assist you in voting your shares or in providing voting instructions with respect to your shares.

The Company has the following subsidiaries, which are referred to throughout this proxy statement: Fitchburg Gas and Electric Light Company (Fitchburg); Granite State Gas Transmission, Inc. (Granite); Northern Utilities, Inc. (Northern); Unitil Energy Systems, Inc. (Unitil Energy); Unitil Power Corp.; Unitil Realty Corp.; Unitil Resources, Inc.; Unitil Service Corp.; and Usource, Inc. and Usource, LLC (collectively, Usource).

INFORMATION ABOUT THE ANNUAL MEETING

Date, Time and Place

The Annual Meeting will be held on Wednesday, April 25, 2018 at 11:30 A.M. at the office of the Company, 6 Liberty Lane West, Hampton, New Hampshire.

Anticipated Mailing Date

The Company anticipates first mailing definitive copies of this proxy statement, the accompanying proxy card, and the accompanying annual report to shareholders on or about March 19, 2018.

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MEETING SUMMARY

This year, we are seeking your vote on the following proposals:

- 1) Election of one Director of the Company, nominated by the Board, to serve a three-year term. The Board has nominated Thomas P. Meissner, Jr. for election to the Board of Directors and recommends a vote FOR this nominee. Information on Proposal No. 1 is included in the section entitled *Proposal 1: Election of Director*.
- 2) Ratification of the selection of Unitil's independent registered public accounting firm, Deloitte & Touche LLP, for fiscal year 2018. The Board recommends a vote FOR this proposal. Information on Proposal No. 2 is included in the section entitled *Proposal 2: Ratification of Selection of Deloitte & Touche LLP as Independent Registered Public Accounting Firm for 2018*.
- 3) Approval, on an advisory basis, of the compensation of the Company's named executive officers. The Board recommends a vote FOR this proposal. Information on Proposal No. 3 is included in the section entitled *Proposal 3: Approval, on an Advisory Basis, of the Compensation of the Company's Named Executive Officers*.
- 4) Transaction of any other business that may properly be brought before the Annual Meeting.

RECORD DATE & NUMBER OF SHARES OUTSTANDING

You are entitled to receive notice of and to vote at the Annual Meeting if you owned shares of the Company's common stock as of the close of business on February 16, 2018 (the Record Date). As of the Record Date, the Company had 14,855,173 shares of common stock issued and outstanding and entitled to vote at the Annual Meeting.

QUORUM & REQUIRED VOTE

A majority of the outstanding shares of common stock entitled to vote at the Annual Meeting must be present in person or represented by proxy to conduct the Annual Meeting. This is referred to as a quorum.

If a quorum is present, the nominee standing for election as a Director will be elected by a plurality of the votes cast by the shareholders. Votes withheld and broker non-votes will not be counted toward the achievement of a plurality. Additional information concerning the election of directors appears in the section entitled *Corporate Governance Resignation Policy*. With respect to all other matters that may come before the Annual Meeting, action on a matter is approved if the votes cast favoring the action exceed the votes cast opposing the action. Therefore, abstentions and broker non-votes will have no effect on the other matters. Representatives of the Company's transfer agent will count the votes and certify the results.

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VOTING RIGHTS AND PROCEDURES

As an owner of Unitil common stock, it is your legal right to vote (or to provide voting instructions) on all matters to be considered at a shareholder meeting. Unitil hopes you will exercise your legal right and fully participate as a shareholder in the Annual Meeting. You may cast one vote for each share of common stock that you own on all matters presented at the Annual Meeting.

The Board has selected and approved Mark H. Collin and Thomas P. Meissner, Jr. as proxies for the Annual Meeting to vote your shares in the manner that you specify on the proxy card or via the Internet, or if you do not give any specification on your proxy card or submitted proxy with respect to a matter, FOR such matter. Your designation of a proxy will not affect your right to attend the Annual Meeting and vote in person.

Record Holders: If your shares of common stock were registered directly in your name with the Company's transfer agent as of the Record Date, then you are considered a shareholder of record of the shares (a "Record Holder") and the Company has sent the proxy materials and the accompanying proxy card directly to you.

Beneficial Holders: If your shares of common stock were registered in the name of a bank, broker or other nominee as of the Record Date, then you are considered a beneficial owner ("Beneficial Holder") of the shares that are registered in street name and your bank, broker or other nominee has sent this proxy statement and voting instructions to you.

As a Beneficial Holder, your shares may be voted even if voting instructions are not provided.

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Brokerage firms have the authority under New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on routine matters. The ratification of the selection of Unitil's independent registered public accounting firm, Deloitte & Touche LLP, for fiscal year 2018 is considered a routine matter. When a proposal is not routine and the brokerage firm has not received voting instructions from its customers, the brokerage firm cannot vote the shares on that proposal. Those shares are considered broker non-votes. Please note that, under New York Stock Exchange rules, this means that brokers may not vote your shares on Proposals 1 and 3 at the 2018 Annual Meeting if you have not given specific instructions as to how to vote to the broker. Please be sure to give specific voting instructions to your broker so that your vote can be counted.

ENERGY FOR LIFE

MESSAGE FROM THE CHAIRMAN AND CEO

The Company's Mission Statement states that we provide *energy for life* by safely and reliably delivering natural gas and electricity in New England. We are committed to the construction, operation, and maintenance of high-quality, reliable, and safe gas and electric distribution systems and to the provision of convenient and responsive service to all customers. This commitment requires a dedicated and well-trained work force and a corporate culture built on integrity, accountability, and results.

In 2017, the Company met the strategic goals for shareholders and, at the same time, with a perpetual vision for the future, we acted to help ensure our shareholders of continued value and growth. Through a seamless pursuit of excellence in operations, we also made the customer experience our highest priority. We accomplished these objectives by adhering to our core business values, by remaining flexible in our approach to problems and by rewarding outstanding teamwork.

Unitil's leadership team consists of professionals with decades of experience in the utility, energy, and environmental industries. They reflect Unitil's long-standing dedication to inspired teamwork, constant collaboration, and the insistence on the highest possible standards for ethical business practices. Fully accountable to our customers for the quality, efficiency, and integrity of our services, our leadership is ultimately accountable to the Board of Directors and to you, our shareholders. We seek to safeguard and enhance your investment in Unitil, while serving the best interests of all of the Company's stakeholders.

Your Company is in the good hands of hundreds of talented and motivated people. I thank them for their loyalty and dedication to the Company, its customers and its shareholders, and I look forward to the Company's continued success.

- Robert G. Schoenberger
March 19, 2018

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The table below shows Executive Officers' biographical information as of the date of this proxy statement, including the Named Executive Officers. Additional information about Mr. Schoenberger is included in the section entitled *Recent Events*. Additional information about Mr. Meissner is included in the sections entitled *Recent Events* and *Proposal 1: Election of Director*.

MANAGEMENT INFORMATION TABLE

Name and Principal Position	Age	Description
Robert G. Schoenberger Chairman of the Board, Chief Executive Officer & President	67	Mr. Schoenberger has been Unitil's Chairman of the Board of Directors and Chief Executive Officer since October 1997, and has also served as Unitil's President since 2003. Prior to his employment with Unitil, Mr. Schoenberger was president and chief operating officer of the New York Power Authority from 1993 until 1997.
Mark H. Collin Senior Vice President, Chief Financial Officer & Treasurer	59	Mr. Collin has been Unitil's senior vice president and chief financial officer since February 2003. Mr. Collin has also served as Unitil's treasurer since 1998. Mr. Collin joined Unitil in 1988, and served as Unitil's vice president of finance from 1995 until 2003.
Thomas P. Meissner, Jr. Senior Vice President & Chief Operating Officer	55	Mr. Meissner has been Unitil's senior vice president and chief operating officer since June 2005. Mr. Meissner served as Unitil's senior vice president, operations, from February 2003 through June 2005. Mr. Meissner joined Unitil in 1994 and served as Unitil's director of engineering from 1998 to 2003.
Todd R. Black Senior Vice President, Unitil Service	53	Mr. Black has been Unitil's senior vice president, external affairs and customer relations (Unitil Service), since September 2009. Mr. Black joined Unitil in 1998 and served as vice president of sales and marketing for Usource from 1998 until 2003, and president of Usource from 2003 until September 2009.
Laurence M. Brock Controller & Chief Accounting Officer	64	Mr. Brock has been Unitil's controller and chief accounting officer since June 2005. Mr. Brock joined Unitil in 1995 as vice president and controller. Mr. Brock is a Certified Public Accountant in the state of New Hampshire.

Sandra L. Whitney

Corporate Secretary

54 Ms. Whitney has been Unitil's corporate secretary and secretary of the Board since February 2003. Ms. Whitney joined Unitil in 1990 and also serves as the corporate secretary of Unitil's subsidiary companies.

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RECENT EVENTS

On March 1, 2018, the Company announced that Robert G. Schoenberger will retire as chairman of the board, president and chief executive officer of the Company on April 25, 2018. Mr. Schoenberger has also decided not to stand for re-election to the Board of Directors (the Board) at the Annual Meeting on April 25, 2018. As part of the Company's leadership succession plan, Thomas P. Meissner, Jr., the Company's senior vice president and chief operating officer, was selected by the Board to succeed Mr. Schoenberger as chairman of the board, president and chief executive officer concurrent with Mr. Schoenberger's retirement on April 25, 2018. Mr. Meissner has been nominated by the Board to stand for election for a term of three years at the Annual Meeting. Expanded biographical information for Mr. Meissner is included in the section entitled *Proposal 1: Election of Director*.

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The following table sets forth information on the beneficial ownership of the Company's common stock as of the Record Date, by (i) each person known to the Company to be the beneficial owner of more than five percent of its common stock, (ii) each Director and nominee for Director of the Company, (iii) each executive officer named in the Summary Compensation Table in the section entitled *Compensation Compensation of Named Executive Officers* (the "Named Executive Officers") and (iv) all Directors and executive officers ("Executive Officers") of the Company as a group. Except as otherwise indicated, to the Company's knowledge, the beneficial owners listed have sole voting and sole dispositive power with respect to the shares beneficially owned by them. The address of each of Unitil's Directors and Executive Officers is c/o Unitil Corporation, 6 Liberty Lane West, Hampton, New Hampshire 03842-1720.

BENEFICIAL OWNERSHIP

Name and Address of Beneficial Owner	Common Stock	Restricted Stock Units	Percent of Class
5% Owners:			
BlackRock, Inc. ⁽¹⁾			
55 East 52 nd Street, New York, NY 10055 Frontier Capital Management Co., LLC ⁽²⁾	1,067,410		7.20%
99 Summer Street, Boston, MA 02110 The Vanguard Group ⁽³⁾	813,550		5.53%
	779,763		5.26%
100 Vanguard Boulevard, Malvern, PA 19355			
Directors: ⁽⁴⁾ ⁽⁵⁾			
	3,465	7,542	*
Robert V. Antonucci	5,276	8,888	*
David P. Brownell		7,542	*
Lisa Crutchfield	9,088	8,888	*
Albert H. Elfner, III			

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	4,691	7,542	*
Edward F. Godfrey			
	5,530	8,888	*
Michael B. Green			
	20,801	8,888	*
Eben S. Moulton			
	16,164	8,888	*
M. Brian O Shaughnessy			
	154,483		1.04%
Robert G. Schoenberger ⁽⁶⁾			
	11,215		*
Sarah P. Voll			
		7,542	*
David A. Whiteley			
Director Nominee:			
	38,747		*
Thomas P. Meissner, Jr. ⁽⁷⁾			
Named Executive Officers: ⁽⁴⁾			
	154,483		1.04%
Robert G. Schoenberger ⁽⁶⁾			
	38,747		*
Thomas P. Meissner, Jr. ⁽⁷⁾			
	46,578		*
Mark H. Collin ⁽⁸⁾			
	26,759		*
Todd R. Black ⁽⁹⁾			
	10,234		*
Laurence M. Brock ⁽¹⁰⁾			
	428,637	74,608	2.38%
All Directors and Executive Officers as a Group (16 Persons) ⁽⁴⁾⁽¹¹⁾			

*Represents less than 1% of the Company's outstanding common stock.

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NOTES:

- (1) Information obtained from the Schedule 13G/A filed by BlackRock, Inc. on behalf of itself, BlackRock (Netherlands) B.V., BlackRock Advisors, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management (Australia) Limited, and BlackRock Investment Management, LLC with the Securities and Exchange Commission on January 23, 2018. BlackRock, Inc. is the beneficial owner of 1,067,410 shares of common stock, of which it has sole voting power with respect to 1,037,172 shares, and sole dispositive power with respect to 1,067,410 shares.
- (2) Information obtained from the Schedule 13G/A filed by Frontier Capital Management Co., LLC with the Securities and Exchange Commission on February 7, 2018. Frontier Capital Management Co., LLC is the beneficial owner of 813,550 shares of common stock, of which it has sole voting power with respect to 351,353 shares, and sole dispositive power with respect to 813,550 shares.
- (3) Information obtained from the Schedule 13G filed by The Vanguard Group, on behalf of itself, Vanguard Fiduciary Trust Company, and Vanguard Investments Australia, Ltd., with the Securities and Exchange Commission on February 9, 2018. The Vanguard Group is the beneficial owner of 779,763 shares of common stock, of which it has shared voting power with respect to 6,600 shares, sole voting power with respect to 15,471 shares, shared dispositive power with respect to 20,871 shares, and sole dispositive power with respect to 758,892 shares.
- (4) Based on information furnished to Unitil by its Directors and Executive Officers.
- (5) Restricted Stock Units (RSUs) are granted to the Directors who have elected to receive RSUs in lieu of common stock as the equity portion of the annual retainer for Board service. RSUs will settle as 70% stock and 30% cash upon retirement or other separation from the Board. RSUs were granted annually from October 2012 through and including October 2017 and include cumulative dividend equivalents earned as of December 31, 2017. If a Director is subject to the specified employee payment provision in Section 409A of the Internal Revenue Code, payment of the RSUs may be delayed for six months and the RSUs would not be paid within 60 days of the Record Date.
- (6) Included are 5,353 shares that are held in trust for Mr. Schoenberger under the terms of Unitil's 401(k). Mr. Schoenberger has sole voting and dispositive power only with respect to the shares credited to his account. Also included are 39,694 shares of unvested restricted stock granted under the terms and conditions of the Company's Second Amended and Restated 2003 Stock Plan (the Stock Plan).

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- (7) Included are 1,052 shares that are held in trust for Mr. Meissner under the terms of Unitil's 401(k). Mr. Meissner has sole voting and dispositive power only with respect to the shares credited to his account. Also included are 9,204 shares of unvested restricted stock granted under the terms and conditions of the Company's Stock Plan.

- (8) Included are 2,842 shares that are held in trust for Mr. Collin under the terms of Unitil's 401(k). Mr. Collin has sole voting and dispositive power only with respect to the shares credited to his account. Also included are 9,204 shares of unvested restricted stock granted under the terms and conditions of the Company's Stock Plan.

- (9) Included are 2,862 shares that are held in trust for Mr. Black under the terms of Unitil's