



June 22, 2018

Via E-mail (rule-comments@sec.gov)

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: File No. S7-05-18
Transaction Fee Pilot for National Market System Stocks
Release No. 34-82873 (March 14, 2018)

Dear Mr. Fields:

Unitil Corporation (“Unitil”) hereby submits its comments to the U.S. Securities and Exchange Commission (the “Commission”) regarding the Commission’s proposal (the “Proposal”) to adopt a Transaction Fee Pilot for National Market System stocks under proposed Rule 610T (the “Pilot”).

The Pilot would divide National Market System stocks into: (i) three test groups of 1,000 stocks, each of which would have different limits on access fees and rebates; and (ii) one control group of 5,200 stocks, which would be subject to the existing regulatory structure. The Pilot would run for two years.

Unitil opposes the Pilot in its current form for the reasons discussed below. Accordingly, Unitil respectfully requests that the Commission withdraw its Proposal. Alternatively, Unitil respectfully requests that it be excluded from the Pilot.

First, Unitil believes that companies that have stocks in the test groups would be disadvantaged in several ways. Unitil expects that the stocks in the test groups will have wider average bid-ask spreads than the stocks in the control group because of the test groups’ limits on access fees and rebates. As a result, Unitil believes that:

- the stocks in the test groups will be less appealing to investors than stocks in the control group because investor transaction costs will be higher for stocks in the test groups; companies that have stocks in the test groups likely will experience larger discounts to market prices in their secondary offerings as a result of the wider average bid-ask spreads, thereby increasing their cost-of-capital; and companies that have stocks in the test groups

Mark H. Collin
Sr. Vice President,
Chief Financial Officer & Treasurer
collin@unitil.com

T 603.772.0775 F 603.773.6700 www.unitil.com

6 Liberty Lane West
Hampton, NH 03842

likely will incur higher transaction costs when conducting share repurchase programs as a result of the wider average bid-ask spreads.

- Second, Unitil is concerned about the differing impact this Pilot would have on Unitil if it was included in a test group while some (perhaps a majority) of its peer companies were included in the control group.
- Third, Unitil believes that a large minority of companies will entirely bear the negative effects of the Pilot.
- Fourth, Unitil believes that the Pilot's design materially differs from the Commission's other recent preliminary proposals. The Pilot would include approximately 3,000 stocks (36.6% of National Market System stocks) in test groups for two years. Unitil understands that the Commission's other recent preliminary proposals have been limited 300 stocks (3.6% of National Market Systems stocks) for significantly shorter time periods.

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Therefore, Unitil respectfully requests that the Commission withdraw its Proposal and instead use other tools to study the market in a manner that has less negative impact. Alternatively, as previously stated, Unitil respectfully requests that it be excluded from the Pilot.

Respectfully submitted,



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