UNISOURCE ENERGY CORP

Form 4 March 22, 2007

FORM 4

subject to

Form 4 or

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549 Check this box

if no longer STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** Section 16.

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Print or Type Responses)

1(b).

1. Name and Address of Reporting Person *

NELSON DENNIS R

2. Issuer Name and Ticker or Trading

Symbol

UNISOURCE ENERGY CORP

[UNS]

(Last) (First) (Middle)

(Street)

3. Date of Earliest Transaction

(Month/Day/Year) 03/20/2007

1 S. CHURCH AVENUE, UE183

Filed(Month/Day/Year)

4. If Amendment, Date Original

Applicable Line) _X_ Form filed by One Reporting Person

below)

Issuer

Director

X_ Officer (give title

Form filed by More than One Reporting

5. Relationship of Reporting Person(s) to

(Check all applicable)

Sr Vice President

6. Individual or Joint/Group Filing(Check

Person

TUCSON, AZ 85701

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

Code (Month/Day/Year)

3.

TransactionAcquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

4. Securities

5. Amount of Securities Beneficially Owned Following

Reported

Form: Direct (T) (Instr. 4)

6. Ownership

7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

10% Owner

Other (specify

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(A)

Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) Derivative or Disposed of Security (D) (Instr. 3, 4, and 5) Code V (A) (D) Date Expiration Title Amount Exercisable Date or Number of Shares Employee Common Stock \$ 37.88 03/20/2007 A 16,680 (1) 03/20/2017 16,680 Stock Option

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

NELSON DENNIS R 1 S. CHURCH AVENUE UE183 TUCSON, AZ 85701

Sr Vice President

Signatures

C. David Lamoreaus, attorney

in fact 03/22/2007

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The options vest in three annual installments of 33%, 33% and 34%, respectrively, beginning March 20, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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