

UNISOURCE ENERGY CORP
Form 4
March 13, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
NELSON DENNIS R

(Last) (First) (Middle)
1 S. CHURCH AVENUE, UE183
(Street)

TUCSON, AZ 85701

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
UNISOURCE ENERGY CORP
[UNS]

3. Date of Earliest Transaction (Month/Day/Year)
03/09/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	(A) or (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	Price		
Common Stock	03/09/2006		M		18,200	\$ 12.281	18,200	D
Common Stock	03/09/2006		S		18,200	\$ 30.21	0	D
Common Stock	03/09/2006		M		8,400	\$ 14.437	8,400	D
Common Stock	03/09/2006		S		8,400	\$ 30.21	0	D
Common Stock	03/09/2006		M		8,800	\$ 15.562	8,800	D

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Common Stock	03/09/2006	S	8,800	D	\$ 30.21	0	D
Common Stock	03/09/2006	S	7,996	D	\$ 30.21	0	D

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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option (right to buy)	\$ 12.281	03/09/2006		M	18,200	<u>(1)</u> 07/16/2009	Common Stock	18,200	
Employee Stock Option (right to buy)	\$ 14.437	03/09/2006		M	8,400	<u>(2)</u> 06/26/2007	Common Stock	8,400	
Employee Stock Option (right to buy)	\$ 15.562	03/09/2006		M	8,800	<u>(3)</u> 07/09/2008	Common Stock	8,800	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NELSON DENNIS R 1 S. CHURCH AVENUE			Sr Vice President	

UE183
TUCSON, AZ 85701

Signatures

C. David Lamoreaux, Attorney
in Fact

03/13/2006

__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 vested in three equal installments on July 16, 2000, 2001 and 2002.
- (2) The options vested in three equal installments on June 26, 1998, 1999 and 2000.
- (3) The options vested in three equal installments on July 9, 1999, 2000 and 2001.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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