UNISOURCE ENERGY CORP

Form 4

January 26, 2007

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

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 *

LARSON KEVIN P

(First) (Middle)

(Last)

1 S. CHURCH AVENUE, UE183

(Street)

TUCSON, AZ 85701

1. Title of

Security

(Instr. 3)

2. Issuer Name and Ticker or Trading

Symbol

UNISOURCE ENERGY CORP [UNS]

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

01/25/2007

4. If Amendment, Date Original

Filed(Month/Day/Year)

Vice President 6. Individual or Joint/Group Filing(Check

Applicable Line)

Director

X_ Officer (give title

X Form filed by One Reporting Person Form filed by More than One Reporting

5. Relationship of Reporting Person(s) to

(Check all applicable)

below)

Person

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

Issuer

below)

(City) (State) (Zip)

> 2. Transaction Date 2A. Deemed 3. (Month/Day/Year) Execution Date, if

> > (Month/Day/Year)

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

Code V Amount (D) Price

5. Amount of Securities Beneficially Owned Following

Reported Transaction(s) (D) or Indirect Beneficial (I) (Instr. 4)

6. Ownership

Form: Direct

Ownership (Instr. 4)

SEC 1474

(9-02)

Indirect

7. Nature of

10% Owner

Other (specify

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

(Instr. 3 and 4)

(A)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Conversion Security or Exercise

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

any

4. 5. Number Transaction of Derivative Expiration Date Code Securities

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

7. Title and Amount of 8. Price **Underlying Securities** (Instr. 3 and 4)

Deriva

Securi

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(Instr. 3)	Price of Derivative Security	(Month/Day/Yea	(Month/Day/Year)	(Instr.	8)	Acquire (A) or Dispose (D) (Instr. 3 and 5)	d of					(Instr.
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units (1)	\$ 0 (3)	01/25/2007		A		82.53		(1)(2)	(2)	Common Stock	82.53	\$ 37

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

LARSON KEVIN P 1 S. CHURCH AVENUE UE183 TUCSON, AZ 85701

Vice President

Signatures

C. David Lamoreaux, Attorney in Fact

01/26/2007

**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) Credited as fully-vested dividend equivalents under the UniSource Energy Corporation Management and Directors Deferred Compensation Plan (the "DCP") with respect to dividends declard by the issuer on its Common Stock.
- (2) Payable at the time or times elected by the reporting person under the DCP and subject to earlier payment in accordance with the DCP.
- (3) Converts to common stock on a 1-for-1 basis.

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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