UNISOURCE ENERGY CORP

Form 4 March 07, 2007

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

January 31, Expires: 2005 Estimated average

Form 5 obligations STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

burden hours per response... 0.5

5 Relationship of Reporting Person(s) to

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

Stock Common

Stock

(Print or Type Responses)

1 Name and Address of Reporting Person *

03/05/2007

PIGNATELLI JAMES S			Symbol UNISOURCE ENERGY ([UNS]	Issuer
	(Last)	(First) (Middle CH AVENUE, UE183	(Month/Day/Year)	X Director 10% OwnerX Officer (give title Other (specify below) Chairman, President and CEO
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person
	TUCSON, A	AZ 85701 (State) (Zip)	Table I. Nov. Declaration 6	Form filed by More than One Reporting Person
	1.Title of Security (Instr. 3)	2. Transaction Date 2A. (Month/Day/Year) Exe any		Beneficially Owned (D) or Ownership Following Indirect (I) (Instr. 4) Reported (Instr. 4) Or (D) Price Beneficially Form: Direct Beneficial Ownership Indirect (I) (Instr. 4) (Instr. 4) (Instr. 3 and 4)
	Common	03/05/2007	M 16,800	A \$ 16,800 D

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

S

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

D

14.44

16,800 D

Edgar Filing: UNISOURCE ENERGY CORP - Form 4

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. Transactic Code (Instr. 8)	5. Number of orDerivative 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)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 14.44	03/05/2007		M	16,800	<u>(1)</u>	06/26/2007	Common Stock	16,800

Reporting Owners

Reporting Owner Name / Address	Relationships					
1 8	Director	10% Owner	Officer	Other		
PIGNATELLI JAMES S 1 S. CHURCH AVENUE UE183 TUCSON, AZ 85701	X		Chairman, President and CEO			

Signatures

C. David Lamoreaux, attorney in fact 03/07/2007

**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 vested in 3 equal installments on June 26, 1998, 1999 and 2000.

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.

Reporting Owners 2