

UNISOURCE ENERGY CORP  
Form 8-K  
March 28, 2006

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

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT  
(DATE OF EARLIEST EVENT REPORTED): March 25, 2006

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification Number
<b>1-13739</b>	<b>UNISOURCE ENERGY CORPORATION</b> (An Arizona Corporation) One South Church Avenue, Suite 100 Tucson, AZ 85701 (520) 571-4000	<b>86-0786732</b>

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 - Entry into a Material Definitive Agreement.**

On March 25, 2006, Advanced Energy Technologies, Inc. (AET), an indirect, wholly-owned subsidiary of UniSource Energy Corporation (UniSource Energy) entered into an agreement to sell all of the capital stock of Global Solar Energy, Inc. (Global Solar) to Solon AG and I-Sol Ventures GmbH.

The buyers will pay \$16 million in cash, which will first be used to satisfy \$10 million of secured promissory notes held by a UniSource Energy subsidiary with the remainder payable to AET. UniSource Energy expects to record approximately \$1 million of after-tax losses related to the discontinued operations and disposal of Global Solar.

In addition to the cash purchase price, Global Solar will grant AET a ten year option to purchase between 5 and 10 percent of the common stock of Global Solar, determined on a fully diluted basis. The option is only exercisable after the seventh anniversary of the closing or upon the occurrence of certain events including a sale of all or substantially all of the assets of Global Solar, a merger, a change of control transaction, an initial public offering of Global Solar common stock or the payment by Global Solar of dividends in excess of specified amounts.

The closing of the sale is subject to various closing conditions. In the event the stock purchase agreement is terminated due to a breach, the breaching party is liable for a break up fee of \$800,000.

The transaction is expected to close by mid-April 2006.

**Item 9.01. Financial Statements and Exhibits.**

**(c) Exhibits**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
10.1	Stock Purchase Agreement, dated March 25, 2006, among AET, Solon AG and I-Sol Ventures GmbH.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 28, 2006

**UNISOURCE ENERGY CORPORATION**

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(Registrant)

/ s / Kevin P. Larson

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Senior Vice President and Principal  
Financial Officer

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**EXHIBIT INDEX**

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