

BILBY ELIZABETH T
Form 4
March 24, 2010

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 *
BILBY ELIZABETH T

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
01/03/2002

Director 10% Owner
 Officer (give title below) Other (specify below)

**1 S. CHURCH AVENUE, SUITE
201**

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting 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 (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)		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 or Price			
Common Stock	05/10/2002		A	516	A \$ 0	1,212 ⁽¹⁾	D	
Common Stock	05/10/2002		D	516	D ⁽²⁾	1,212 ⁽¹⁾	D	
Common Stock	01/02/2003		A	573	A \$ 0	1,212 ⁽¹⁾	D	
Common Stock	01/02/2003		D	573	D ⁽²⁾	1,212 ⁽¹⁾	D	
Common Stock	01/03/2005		A	408	A \$ 0	1,212 ⁽¹⁾	D	

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Common Stock	01/03/2005	D	408	D	(2)	1,212 (1)	D
Common Stock	01/04/2010	M	507	A	(6)	1,212 (1)	D

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

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SEC 1474
(9-02)

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)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 18.74	01/03/2002		A	2,000	(3) (3)		Common Stock	2,000
Restricted Stock Units (in lieu of Restricted Stock)	(7)	05/10/2002		A	516	(7) (7)		Common Stock	516
Stock Option (right to buy)	\$ 17.44	01/02/2003		A	2,358	(3) (3)		Common Stock	2,358
Restricted Stock Units (in lieu of Restricted Stock)	(7)	01/02/2003		A	573	(7) (7)		Common Stock	573
Restricted Stock	(4)	01/03/2005		A	408	(4) (4)		Common Stock	408

Units									
Restricted Stock									
Units (in lieu of Restricted Stock)	(7)	01/03/2005	A	408	(7)	(7)	Common Stock	408	
Restricted Stock									
Units	(5)	05/06/2005	A	660	(5)	(5)	Common Stock	660	
Restricted Stock									
Units (in lieu of Restricted Stock)	(6)	01/04/2010	M	507	(7)	(7)	Common Stock	507	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BILBY ELIZABETH T 1 S. CHURCH AVENUE SUITE 201 TUCSON, AZ 85701	X			

Signatures

Amy J. Welander, Attorney
in Fact
03/24/2010

**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 reporting person included the transaction being reported in its holdings listed in this column, but mistakenly did not previously report the underlying transaction. As such, current holdings are shown. The shares or units, as applicable, being reported in this filing were reflected in the reporting person's holdings as disclosed in prior proxy statements filed by UniSource Energy Corporation.
 - (2) The reporting person exchanged restricted stock shares for an equivalent number of restricted stock units in lieu of restricted stock shares on the date of the grant of such restricted stock.
 - (3) The options vest as follows: 1/3 on the first anniversary of the date of the grant, 1/3 on the second anniversary of the date of the grant, and 1/3 on the third anniversary of the date of the grant. They expire on the date that is 10 years from the date of grant.
 - (4) The restricted stock units vest as follows: 1/3 on the first anniversary of the date of grant, 1/3 on the second anniversary of the date of the grant, and 1/3 on the third anniversary of the date of the grant and are payable upon the reporting person's termination of service with UniSource Energy Corporation.
 - (5) The restricted stock units were awarded as equity compensation to the reporting person and vest on the first anniversary of the date of grant and are payable upon the reporting person's termination of service with UniSource Energy Corporation.

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- (6) The reporting person settled his/her Restricted Stock Units for shares of common stock of UniSource Energy Corporation.
- (7) The restricted stock units in lieu of restricted stock vest on the third anniversary of the date of grant and are payable after vesting in accordance with the election of the reporting person on the date of grant.

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.