

Grant Kentton C
Form 4
March 07, 2011

FORM 4

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

OMB APPROVAL

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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 *
Grant Kentton C

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)

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

1 S. CHURCH AVENUE, SUITE 201

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code V | Amount | | |
| Common Stock | 03/03/2011 | | M | 2,557 A | \$ 26.18 | 4,410 | D |
| Common Stock | 03/03/2011 | | S | 2,557 D | \$ 37.22 | 1,853 | D |
| Common Stock | 03/03/2011 | | M | 2,130 A | \$ 26.11 | 3,983 | D |
| Common Stock | 03/03/2011 | | S | 2,130 D | \$ 37.22 | 1,853 | D |
| Common Stock | 03/03/2011 | | M | 200 A | \$ 26.11 | 2,053 | D |

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Common Stock 7,678.64 I By 401(k) Plan

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 (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 |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|-------------------------------|
| Employee Stock Option (right to buy) | \$ 26.18 | 03/03/2011 | | M | 2,557 | <u>(1)</u> 02/27/2018 | Common Stock | 2,557 |
| Employee Stock Option (right to buy) | \$ 26.11 | 03/03/2011 | | M | 2,130 | <u>(2)</u> 02/12/2019 | Common Stock | 2,130 |
| Employee Stock Option (right to buy) | \$ 26.11 | 03/03/2011 | | M | 200 | <u>(2)</u> 02/12/2019 | Common Stock | 200 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| Grant Kentton C 1 S. CHURCH AVENUE SUITE 201 | | | Vice President | |

TUCSON, AZ 85701

Signatures

Diana K. Durako, Attorney
in Fact

03/07/2011

__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 vest in 3 equal installments on February 27, 2009, 2010, and 2011.
 - (2) The options vest in 3 equal installments on February 12, 2010, 2011, and 2012.

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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