UNISOURCE ENERGY CORP

Form 4 May 29, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * HANDY KENNETH

2. Issuer Name and Ticker or Trading

Issuer

Symbol

UNISOURCE ENERGY CORP

[UNS]

(Last) (First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year) 05/27/2008

1 S. CHURCH AVENUE, UE183

(Street)

4. If Amendment, Date Original

Filed(Month/Day/Year)

Applicable Line) _X_ Form filed by One Reporting Person

Officer (give title

Form filed by More than One Reporting Person

below)

X_ Director

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 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5) 5. Amount of Securities Beneficially Owned Following

Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) (Instr. 4)

Ownership (Instr. 4)

(9-02)

10% Owner

Other (specify

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

6. Individual or Joint/Group Filing(Check

(Check all applicable)

Estimated average

burden hours per

(A) or Code V Amount (D) Price

Transaction(s) (Instr. 3 and 4)

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

Persons who respond to the collection of SEC 1474 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 3. Transaction Date 3A. Deemed Derivative Conversion (Month/Day/Year) Execution Date, if Security or Exercise any

5. Number 6. Date Exercisable and Transaction of Derivative Expiration Date (Month/Day/Year) Code Securities

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

1

Deriva

Securi

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year	(Instr. 8)	Acquire (A) or Dispose (D) (Instr. 3 and 5)	ed of				(Instr.	
			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units (1)	\$ 0 (3)	05/27/2008	A	95.77		(1)(2)	(2)	Common Stock	95.77	\$ 33

Reporting Owners

Reporting Owner Name / Address	Relationships						
•	Director	10% Owner	Officer	Other			
HANDY KENNETH 1 S. CHURCH AVENUE UE183 TUCSON, AZ 85701	X						

Signatures

Raymond S. Heyman, Attorney in Fact 05/29/2008

**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.

Reporting Owners 2