

KISSINGER KAREN G
 Form 4
 August 13, 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 *
KISSINGER KAREN G

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)
**1 S. CHURCH AVENUE, SUITE
 201**
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
03/08/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP, Controller and CCO

TUCSON, AZ 85701

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

(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 (A) or (D) Price			
Common Stock	08/12/2010		M	7,000 A \$ 17.91	51,303	D	
Common Stock	08/12/2010		S	7,000 D \$ 32.23	44,303	D	
Common Stock	08/12/2010		M	1,152 A \$ 18.12	45,455	D	
Common Stock	08/12/2010		S	1,152 D \$ 32.23	44,303	D	

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

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(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
Employee Stock Option (right to buy)	\$ 17.91	08/12/2010		M	7,000	<u>(1)</u> 08/02/2011	Common Stock	7,000
Employee Stock Option (right to buy)	\$ 18.12	08/12/2010		M	1,152	<u>(2)</u> 01/02/2012	Common Stock	1,152

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KISSINGER KAREN G 1 S. CHURCH AVENUE SUITE 201 TUCSON, AZ 85701			VP, Controller and CCO	

Signatures

Amy J. Welander, Attorney
in Fact 08/13/2010

__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 options vested in 3 equal installments on 8/2/2002, 8/2/2003 and 8/2/2004.
- (2) The options vested in 3 equal installments on 1/2/2003, 1/2/2004 and 1/2/2005.

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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