

BILBY ELIZABETH T  
 Form 4  
 November 03, 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)  
 1 S. CHURCH AVENUE, SUITE 201  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/01/2010

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

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	11/01/2010		M			2,000	A	\$ 18.84	3,280	D	
Common Stock	11/01/2010		S			2,000	D	\$ 34.86	1,280	D	
Common Stock	11/01/2010		M			2,000	A	\$ 18.74	3,280	D	
Common Stock	11/01/2010		S			2,000	D	\$ 34.86	1,280	D	
Common Stock	11/01/2010		M			2,358	A	\$ 17.44	3,638	D	

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Common Stock      11/01/2010      S      2,358      D      \$ 34.86      1,280      D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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
Director Stock Option (right to buy)	\$ 18.84	11/01/2010		M	2,000	<u>(1)</u> 01/03/2011	Common Stock	2,000
Director Stock Option (right to buy)	\$ 18.74	11/01/2010		M	2,000	<u>(2)</u> 01/03/2012	Common Stock	2,000
Director Stock Option (right to buy)	\$ 17.44	11/01/2010		M	2,358	<u>(3)</u> 01/02/2013	Common Stock	2,358

## Reporting Owners

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

TUCSON, AZ 85701

## Signatures

Diana K. Durako, Attorney

11/03/2010

In Fact

\_\_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 January 3, 2002, 2003 and 2004.

(2) The options vested in 3 equal installments on January 3, 2003, 2004 and 2005.

(3) The options vested in 3 equal installments on January 2, 2004, 2005 and 2006.

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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