BILBY ELIZABETH T

Form 4

December 31, 2008

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

OMB

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

if no longer subject to Section 16. Form 4 or

obligations

may continue.

See Instruction

Check this box

SECURITIES Form 5

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 *

BILBY ELIZABETH T

2. Issuer Name and Ticker or Trading

Symbol

UNISOURCE ENERGY CORP

[UNS]

(Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year)

12/29/2008

X_ Director

Issuer

10% Owner Other (specify

Officer (give title below)

1 S. CHURCH AVENUE, SUITE

201

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

5. Relationship of Reporting Person(s) to

(Check all applicable)

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

TUCSON, AZ 85701

(City)

(Instr. 3)

1. Title of 2. Transaction Date 2A. Deemed Security

(State)

(Month/Day/Year) Execution Date, if

(Month/Day/Year)

(Zip)

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

5. Amount of Securities Beneficially Owned Following

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

Reported Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

(A)

or

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

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SEC 1474

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

3. Transaction Date 3A. Deemed 1. Title of (Month/Day/Year) Execution Date, if Transaction of Derivative Expiration Date Conversion

5. Number

6. Date Exercisable and

7. Title and Amount of 8. Price Underlying Securities Deriva

1

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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)		Securi (Instr.
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units (1)	\$ 0 (3)	12/29/2008		A	35.69		(1)(2)	(2)	Common Stock	35.69	\$ 27

Reporting Owners

Reporting Owner Name / Address	Relationships						
Transfer of the same of the sa	Director	10% Owner	•	Other			
BILBY ELIZABETH T 1 S. CHURCH AVENUE SUITE 201 TUCSON, AZ 85701	X						

Signatures

Amy J. Welander, Attorney in Fact 12/31/2008

**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).
- Credited as fully-vested dividend equivalents under the UniSource Energy Corporation Management and Directors Deferred Compensation Plan (the "DCP") with respect to dividends declared by the Issuer on its Common Stock.
- 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.

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