

TUCSON ELECTRIC POWER CO
Form 8-K
June 26, 2006

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT
(DATE OF EARLIEST EVENT REPORTED): June 23, 2006

| Commission File Number | Registrant; State of Incorporation; Address; and Telephone Number | IRS Employer Identification Number |
|---------------------------|--|--|
| 1-13739 | UNISOURCE ENERGY CORPORATION (An Arizona Corporation) One South Church Avenue, Suite 100 Tucson, AZ 85701 (520) 571-4000 | 86-0786732 |
| 1-5924 | TUCSON ELECTRIC POWER COMPANY (An Arizona Corporation) One South Church Avenue, Suite 100 Tucson, AZ 85701 (520) 571-4000 | 86-0062700 |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.03 - Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of the Registrant.

On June 23, 2006, Tucson Electric Power Company (TEP) borrowed \$45 million under the \$60 million revolving credit facility available under its Credit Agreement. Together with the \$15 million previously outstanding, the facility is fully drawn. TEP has generally drawn upon its revolving credit facility to meet seasonal working capital requirements. The drawing on June 23, 2006 provided liquidity to make upcoming capital lease payments, maintain cash balances and pay a portion of the price of a 14% undivided equity interest in the Springerville Unit 1 leases purchased by TEP. Since TEP's cash flow from operations is typically highest in the third quarter due to TEP's summer peaking load, TEP anticipates it will begin repaying the borrowings on the revolving credit facility in July and fully repay the borrowings by the end of 2006. Borrowings under the revolving credit facility may be prepaid at any time and are due upon the expiration of the TEP Credit Agreement in May 2010. See *Item 7. - Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2005 for a description of the terms of the TEP Credit Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 26, 2006

UNISOURCE ENERGY CORPORATION

(Registrant)

/ s / Kevin P. Larson

Senior Vice President and Principal
Financial Officer

Date: June 26, 2006

TUCSON ELECTRIC POWER COMPANY

(Registrant)

/ s / Kevin P. Larson

Senior Vice President and Principal
Financial Officer