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TUCSON ELECTRIC POWER CO
Form 8-K
September 08, 2005

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): September 7, 2005

| 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))

Item 8.01 - Other Events.

On September 7, 2005, Tucson Electric Power Company's (TEP) 380 megawatt Springerville Generating Station Unit 2 (Springerville Unit 2) returned to full service. Springerville Unit 2 was taken out of service on August 11, 2005 due to a control system malfunction and subsequent mechanical problem with the turbine.

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TEP replaced one row of turbine blades that were damaged and made other minor repairs. The repair costs are expected to be less than \$1 million.

TEP estimates that its utility gross margin (the sum of retail and wholesale electric revenues less fuel and purchased power expense) will be reduced by approximately \$14 million due to lost wholesale sales opportunities and additional fuel and replacement power expenses. TEP's retail rates are currently capped therefore none of the replacement power costs can be passed through to retail customers.

Item 7.01 - Regulation FD Disclosure.

As a result of the Springerville Unit 2 outage, UniSource Energy Corporation (UniSource Energy) is modifying its estimate of 2005 full-year earnings to be between \$1.30 and \$1.60 per basic share.

Numerous factors can affect UniSource Energy's ability to reach the 2005 estimates. The factors include, but are not limited to: uncertainties prevailing in the wholesale power market; regulatory decisions; performance of TEP's generating plants; the weather; the pace and strength of the economic recovery in the region; fuel and purchased power expense; changes to long-term contracts; changes in asset depreciable lives; changes in accounting standards; the amount of operating losses incurred by Millennium and losses from the disposition of Millennium assets.

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: September 8, 2005

UNISOURCE ENERGY CORPORATION

(Registrant)

/s/ Kevin P. Larson

Vice President and Principal
Financial Officer

Date: September 8, 2005

TUCSON ELECTRIC POWER COMPANY

(Registrant)

/s/ Kevin P. Larson

Vice President and Principal
Financial Officer