

PUGET ENERGY INC /WA
 Form 4
 March 02, 2007

FORM 4

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

OMB APPROVAL

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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 *
ELDREDGE JAMES W

(Last) (First) (Middle)

10885 NE 4TH STREET, PSE-12

(Street)

BELLEVUE, WA 980045591

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

PUGET ENERGY INC /WA [PSD]

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

02/28/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

VP Corporate Secretary

6. Individual or Joint/Group Filing(Check Applicable Line)

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

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 or Price		
Common	02/28/2007		A		2,147	A	Ⓛ
Common	02/28/2007		M		993	A	Ⓛ
Common	02/28/2007		F		131	D	\$ 24.51
Common	02/28/2007		D		497	D	\$ 24.51
Common							8,062
						I	By 401(k)

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

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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 Underlying Security (Instr. 3 and 4)
LTIP	(3)	02/28/2007		J ⁽⁴⁾	6,011	12/31/2006 12/31/2006	Common
LTIP	(5)	02/28/2007		A	2,525	12/31/2009 12/31/2009	Common
LTIP - 3 year cycle	(2)	02/28/2007		M	5,759	12/31/2006 12/31/2006	Common
LTIP	\$ 0 ⁽⁶⁾					12/31/2007 12/31/2007	Common
LTIP	\$ 0 ⁽⁵⁾					12/31/2008 12/31/2008	Common
PSE Deferred Compensation Plan	\$ 0 ⁽⁷⁾ ⁽⁸⁾					⁽⁷⁾ ⁽⁷⁾	Common

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ELDREDGE JAMES W 10885 NE 4TH STREET, PSE-12 BELLEVUE, WA 980045591			VP Corporate Secretary	

Signatures

/s/ Eldredge,
James W

03/02/2007

**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) Performance based restricted stock grants under the Puget Energy Long Term Incentive Plan (LTIP) for Officers and Key Employees with dividend rights. Performance based restricted stock vests over a three-year period only if performance criteria are met. If

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performance criteria for vesting of the shares is met, 15% of performance shares will vest on January 1, 2008, 25% on January 1, 2009 and 60% on January 1, 2010.

- (2) Each share of phantom stock was the economic equivalent of one share of Puget Energy common stock. The reporting person settled a portion of his shares of phantom stock for cash and a portion of shares for Puget Energy stock.
- (3) LTIP share grants under the Puget Energy Long-Term Incentive Plan for Officers and Key Employees. LTIP Shares are paid in Puget Energy stock when vested in an amount ranging from zero to 175% of LTIP Share Grants.
- (4) 0 shares were awarded for the 2003-2006 LTIP cycle grants. Outstanding share grants were forfeited.
- (5) Performance shares grants under the Puget Energy Long Term Incentive Plan (LTIP) for Officers and Key Employees. LTIP performance shares are paid in stock (or cash) when vested from zero to 175% of LTIP performance shares granted.
- (6) LTIP share grants under the Puget Energy Long-Term Incentive Plan for Officers and Key Employees. LTIP Shares are paid in stock (or up to 50% in cash) when vested in an amount ranging from zero to 155.5% of LTIP Share Grants.
- (7) Phantom share units deferred in the Puget Sound Energy Deferred Compensation Plan.
- (8) One common share will be received for each stock unit.

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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