

PUGET ENERGY INC /WA
 Form 4
 March 06, 2006

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 *
 Mellies Marla D

(Last) (First) (Middle)

P.O. BOX 97034

(Street)

BELLEVUE, WA 980099734

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 PUGET ENERGY INC /WA [PSD]

3. Date of Earliest Transaction
 (Month/Day/Year)
 03/03/2006

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 Human Resources

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)
Common	03/03/2006		A	V A	Amount 2,718 Price A <u>11</u> 12,797	D	

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

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SEC 1474 (9-02)

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

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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. (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
LTIP	<u>(2)</u>	03/03/2006		A	3,197	12/31/2008	12/31/2008	Common	3,197
LTIP	\$ 0 <u>(3)</u>					12/31/2006	12/31/2006	Common	1,816
LTIP	\$ 0 <u>(4)</u>					12/31/2007	12/31/2007	Common	4,064
LTIP - 3 year cycle	\$ 0 <u>(5)</u>					12/31/2006	12/31/2006	Common	2,230

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Mellies Marla D P.O. BOX 97034 BELLEVUE, WA 980099734			VP Human Resources	

Signatures

/s/ Mellies,
Marla D

03/06/2006

**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 performance criteria for vesting of the shares is met, 15% of performance shares will vest on January 1, 2007, 25% on January 1, 2008 and 60% on January 1, 2009.
- (2) 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.
- (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) 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.

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- (5) LTIP share grants under the Puget Energy Long-Term Incentive Plan for Officers and Key Employees. LTIP Shares are paid in stock when vested in an amount ranging from zero to 192.5% of LTIP Share Grants.

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.