PUGET ENERGY INC /WA

Form 4

March 06, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

2. Issuer Name and Ticker or Trading

OMB Number:

3235-0287

Expires:

5. Relationship of Reporting Person(s) to

Issuer

information contained in this form are not

required to respond unless the form displays a currently valid OMB control

number.

January 31, 2005

0.5

Estimated average burden hours per

OMB APPROVAL

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if no longer subject to Section 16. Form 4 or Form 5 obligations

Check this box

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

Symbol

1(b).

(Print or Type Responses)

GAINES DONALD E

1. Name and Address of Reporting Person *

PUGET ENERGY INC /WA [PSD] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X_ Officer (give title Other (specify 10885 NE 4TH STREET, PSE-12 03/03/2006 below) below) VP Finance and Treasurer (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting BELLEVUE, WA 980045591 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial Indirect (I) (Instr. 3, 4 and 5) Owned Ownership (Month/Day/Year) (Instr. 8) Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price Common 03/03/2006 2,380 D Α <u>(1)</u> 2,380 Α By 10,855 Common I Brokerage Account Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. Persons who respond to the collection of SEC 1474

(9-02)

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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. Transacti Code (Instr. 8) | 5. Number on 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) | |
|---|---|--------------------------------------|---|---------------------------------------|---|-----|--|--------------------|---|--|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| LTIP | <u>(2)</u> | 03/03/2006 | | A | 2,800 | | 12/31/2008 | 12/31/2008 | Common | 2,800 |
| LTIP | \$ 0 (3) | | | | | | 12/31/2006 | 12/31/2006 | Common | 6,011 |
| LTIP | \$ 0 (4) | | | | | | 12/31/2007 | 12/31/2007 | Common | 5,402 |
| LTIP - 3 year cycle | \$ 0 (5) | | | | | | 12/31/2006 | 12/31/2006 | Common | 5,759 |

 \mathbf{D}

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

GAINES DONALD E 10885 NE 4TH STREET, PSE-12 BELLEVUE, WA 980045591

VP Finance and Treasurer

Signatures

By: /s/ James W. 03/06/2006 Eldredge

**Signature of Reporting 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).
- 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.
- 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.

Reporting Owners 2

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- (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.
- (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.