Mellies Marla D Form 4 March 02, 2007

FORM 4

Form 5

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

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** Form 4 or

obligations may continue. See Instruction 1(b).

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

OMB APPROVAL

OMB 3235-0287 Number:

January 31, Expires: 2005

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(Print or Type Responses)

1. Name and Address of Reporting Person * Mellies Marla D			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
(Last) (First) (Middle)		(Middle)	PUGET ENERGY INC /WA [PSD] 3. Date of Earliest Transaction	(Check all applicable)		
P.O. BOX 970			(Month/Day/Year) 02/28/2007	Director 10% Owner Officer (give title Other (specify below) VP Human Resources		
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
BELLEVUE, WA 980099734						

(City)	(State)	(Zip) Tabl	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed of	f, or Beneficial	y 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. Securion(A) or D (Instr. 3,	ispose	d of (D)	5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	or	Price	Transaction(s) (Instr. 3 and 4)		
Common	02/28/2007		A	2,380	A	<u>(1)</u>	14,347	D	
Common	02/28/2007		M	385	A	<u>(2)</u>	14,732	D	
Common	02/28/2007		F	52	D	\$ 24.51	14,680	D	
Common	02/28/2007		D	192	D	\$ 24.51	14,488	D	

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

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number.

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)	e 3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Numb iorDerivativ Securitie Acquired Disposed (Instr. 3, 5)	es ed (A) or ed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount o Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
LTIP	\$ 0 (6)						12/31/2007	12/31/2007	Common	4,064
LTIP	\$ 0 (5)						12/31/2008	12/31/2008	Common	3,197
LTIP	<u>(3)</u>	02/28/2007		J <u>(4)</u>		1,816	12/31/2006	12/31/2006	Common	1,816
LTIP	<u>(5)</u>	02/28/2007		A	2,799		12/31/2009	12/31/2009	Common	2,799
LTIP - 3 year cycle	(2)	02/28/2007		M		2,230	12/31/2006	12/31/2006	Common	2,230

Reporting Owners

Director 10% Owner Officer Other

Mellies Marla D P.O. BOX 97034

VP Human Resources

BELLEVUE, WA 980099734

Signatures

By: /s/ James W. 03/02/2007 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, 2008, 25% on January 1, 2009 and 60% on January 1, 2010.
- (2) Represents an award of 2004-2006 Puget Energy Long Term Incentive Plan performance shares.

(3)

Reporting Owners 2

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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.

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.