

Mellies Marla D
 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 *
 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)
 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 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)
			Code	V Amount (A) or (D) Price			
Common	02/28/2007		A	2,380 A (1) 14,347		D	
Common	02/28/2007		M	385 A (2) 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)	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)		
				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	⁽³⁾	02/28/2007		J ⁽⁴⁾	1,816	12/31/2006	12/31/2006	Common	1,816
LTIP	⁽⁵⁾	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

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

Signatures

By: /s/ James W. Eldredge
Date: 03/02/2007

**Signature of Reporting Person

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, 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)

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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.

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