

PUGET ENERGY INC /WA
Form 8-K
April 17, 2002

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

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): April 17, 2002

Commission File Number	Exact name of registrant as specified in its charter, state of incorporation, address of principal executive offices, Telephone	I.R.S. Employer Identification Number
1-16305	PUGET ENERGY, INC. A Washington Corporation. 411 - 108th Avenue N.E. Bellevue, Washington 98004-5515 (425) 454-6363	91-1969407

ITEM 5. Other Events

On April 17, 2002 the Company issued the following press release.

Puget Energy reports first-quarter 2002 results

Bellevue, Wash. (April 17, 2002)-- Puget Energy (NYSE: PSD) today reported 2002 first-quarter income for common stock of \$24.5 million, or 28 cents per diluted share, slightly better than Wall Street's expectations of 25 cents per share.

The first quarter's results are compared to \$70.1 million, or 81 cents per diluted share for the first quarter in 2001. Twelve-month income for common stock for the period ended March 31, 2002 was \$52.8 million, or 61 cents per diluted share, compared to income of \$179 million, or \$2.08 per diluted share, in the year-ago period.

"As was expected, the first-quarter results reflect the continued under-recovery of net power costs for our Puget Sound Energy (PSE) utility subsidiary," said Puget Energy President and CEO Stephen P. Reynolds. "Fortunately, we've worked out a plan with state regulators that will enable the company to restore its financial strength and improve results going forward."

PSE last month reached a settlement with the Washington Utilities and Transportation Commission authorizing a \$25 million increase in PSE's general electric rates during the second quarter of 2002.

Reynolds cited four additional factors that help "set the course for strong performance in the future": fast-track completion of PSE's general rate case, expected by July 1, 2002; a planned three-year improvement in the equity component of PSE's capital structure and pay-down of corporate debt; ongoing, steady growth within PSE's service territory; and growth of Puget Energy's non-regulated business, InfrastruX Group, which provides construction and maintenance services primarily to gas and electric utilities.

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FACTORS IN FIRST-QUARTER RESULTS

Lower operating revenues of \$757 million, compared to \$1.1 billion for the same period in 2001, were primarily due to the lower market prices and volumes related to PSE's electricity sales to industrial customers and surplus electricity sales. Also, electric margins were down substantially, mainly due to the under-recovery of increased power-supply costs for PSE. Cooler temperatures in the first quarter of 2002 compared to the comparable period for 2001 resulted in increased gas margins.

Revenues for the non-regulated InfrastruX Group subsidiary were \$60.8 million, up \$32.2 million from the same period in 2001.

While utility operations and maintenance expenses are up compared to the comparable period one year ago, the results are substantially below budget, reflecting continued cost-containment efforts.

Utility operations and maintenance expenses of \$65.9 million, compared to \$61.2 million in 2001, increased primarily due to one-time costs related the transition of employees responsible for the construction and maintenance of PSE's power-distribution system to a service provider under contract with PSE.

Other operations and maintenance expenses increased reflecting growth of InfrastruX Group.

FACTORS IN 12-MONTH RESULTS

Twelve-month revenues and costs for 2001 were affected by the same factors for the quarter.

Operating revenues for the 12-month period were \$3 billion, compared to \$3.9 billion for the same period in 2001.

Utility operations and maintenance expenses for the 12-month period reflect a full twelve months of the Personal Energy Management energy-efficiency program, increases in generation-related operating and maintenance costs as well as one-time expenses related to the transition of employees responsible for the construction and maintenance of

PSE's power-distribution system to a third-party service provider.

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FIRST-QUARTER EARNINGS ANALYST TELECONFERENCE

A conference call for analysts to discuss with management the first-quarter results and the outlook for future performance is scheduled at 10 a.m. EDT (7 a.m. PDT) Wednesday, April 17, 2002. The call will be broadcast live through a Web cast at www.pse.com by accessing the Investors section of the Web site. The Web cast will be archived and available for replay following the live call. A recorded replay of the conference call also will be available two hours after completion of the conference on April 17 through midnight (EDT) Fri., April 19, 2002. To access the recording, dial 1-800-428-6051, and enter the conference identification number at 238134.

PUGET ENERGY -- SUMMARY INCOME STATEMENT

(In thousands, except per-share amounts, Unaudited)

	Three months ended 03/31(1)		Twelve months ended 03/31	
	2002	2001(2)	2002	2001(2)
Operating revenues				
Electric	\$ 381,534	\$ 765,007	\$ 1,969,185	\$ 3,098,346
Gas	314,491	304,270	825,292	711,111
Other	61,320	50,587	216,995	104,856
Total operating revenues	757,345	1,119,864	3,011,472	3,914,313
Operating expenses				
Electric generation fuel	65,180	102,384	244,201	264,613
Residential exchange	(42,747)	(16,741)	(101,870)	(45,542)
FAS-133 unrealized (gain)/loss	(11,497)	26,466	(49,145)	26,466
Utility operations & maintenance	65,941	61,179	270,550	246,424
Other operations & maintenance	54,103	30,140	180,694	86,978
Depreciation & amortization	55,949	53,128	220,361	203,756
Conservation amortization	2,165	1,601	7,057	5,812
Other taxes	66,120	70,081	210,453	214,796
Federal income taxes	20,490	54,260	44,236	130,513
Total operating expenses	680,774	989,323	2,768,319	3,535,786
Operating income	76,571	130,541	243,153	378,527
Other income (net of tax)	384	1,941	12,968	2,612
Income before interest charges & minority interest	76,955	132,482	256,121	381,139
Interest charges	50,398	45,435	195,023	178,453
Minority interest	79	---	79	---
Net income before cumulative effect of accounting change	26,478	87,047	61,019	202,686
FAS-133 transition adjustment loss (net of tax)	---	14,749	---	14,749

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Net Income	26,478	72,298	61,019	187,937
Less preferred stock dividend accruals	2,012	2,157	8,267	8,849
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Income for common stock	\$ 24,466	\$ 70,141	\$ 52,752	\$ 179,088
	=====	=====	=====	=====
Common shares outstanding	87,175	86,036	86,729	85,654
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Basic earnings per common share before cumulative effect of accounting change	\$ 0.28	\$ 0.99	\$ 0.61	\$ 2.26
Cumulative effect of accounting change	---	(0.17)	---	(0.17)
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Basic earnings per common share	\$ 0.28	\$ 0.82	\$ 0.61	\$ 2.09
Diluted earnings per common share before cumulative effect of accounting change	\$ 0.28	\$ 0.98	\$ 0.61	\$ 2.25
Cumulative effect of accounting change	---	(0.17)	---	(0.17)
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Diluted earnings per common share(3)	\$ 0.28	\$ 0.81	\$ 0.61	\$ 2.08

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- 1 Partial-year results may not accurately predict full-year performance, as earnings are significantly affected by weather.
- 2 Certain amounts previously reported have been reclassified to conform with current year presentations with no effect on net income.
- 3 Diluted earnings per common share include the dilutive effect of securities related to employee compensation plans.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PUGET ENERGY, INC.

/s/ James W. Eldredge

James W. Eldredge
Corporate Secretary and Chief Accounting Officer

Date: April 17, 2002