

PUGET ENERGY INC /WA
 Form 4
 February 14, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
REYNOLDS STEPHEN P

(Last) (First) (Middle)
 10885 NE 4TH STREET, PSE-12
 (Street)

BELLEVUE, WA 980045591

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
02/10/2005

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)
President and CEO

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-------------------------------------|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common | | | | | 60,000 | D | |
| Common | | | | | 17,128 | I | By Brokerage Account |
| Common | | | | | 950 ⁽¹⁾ | I | By spouse through 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 information contained in this form are not

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control 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 Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|--------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount |
| LTIP | \$ 0 ⁽²⁾ | 02/10/2005 | | A | 71,369 | 12/31/2007 | 12/31/2007 | Common | 71,369 |
| LTIP | \$ 0 ⁽³⁾ | | | | | 12/31/2005 | 12/31/2005 | Common | 69,000 |
| LTIP | \$ 0 ⁽³⁾ | | | | | 12/31/2006 | 12/31/2006 | Common | 67,000 |
| LTIP - 3 year cycle | \$ 0 ⁽⁴⁾ | | | | | 12/31/2006 | 12/31/2006 | Common | 75,000 |
| LTIP - Stock Options ⁽⁵⁾ | \$ 22.51 | | | | | 01/07/2003 | 01/07/2012 | Common | 40,000 |
| PSE Deferred Compensation Plan | \$ 0 ⁽⁶⁾ | | | | | <u>(7)</u> | <u>(7)</u> | Common | 32,000 |
| Restricted Stock Units | \$ 0 | | | | | <u>(8)</u> | <u>(8)</u> | Common | 10,000 |
| Stock Options - A ⁽⁹⁾ | \$ 22.51 | | | | | 01/07/2003 | 01/07/2012 | Common | 11,000 |
| Stock Options - B ⁽¹⁰⁾ | \$ 22.51 | | | | | 01/07/2003 | 01/07/2012 | Common | 15,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| REYNOLDS STEPHEN P 10885 NE 4TH STREET, PSE-12 BELLEVUE, WA 980045591 | X | | President and CEO | |

Signatures

By: /s/ James W.
Eldredge

02/14/2005

__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) The reporting person acquired beneficial ownership of these shares upon his marriage to the owner of the shares on October 16, 2004.
- (2) 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.
- (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 when vested in an amount ranging from zero to 192.5% of LTIP Share Grants.
- (5) Non-qualified stock option grant to purchase 40,000 shares of common stock with a term of ten years, under the Puget Energy Long-Term Incentive Plan for Officers and Key Employees. Share grants vest over a period of four years from January 1, 2002 at twenty-five percent per year.
- (6) One common share will be received for each stock unit.
- (7) Phantom share units deferred in the Puget Sound Energy Deferred Compensation Plan.
- (8) Grant of 10,000 shares of restricted stock units to be settled in cash, with dividend equivalent rights. The restrictions on the shares will lapse over a period of five years from January 8, 2004, with 0% vesting after the first year, 0% vesting after the second year, 20% vesting after the third year, an additional 30% vesting after the fourth year and an additional 50% vesting after the fifth year.
- (9) Nonqualified stock option grant to purchase 110,000 shares of common stock with a term of ten years. Share grants vest over a period of four years from January 1, 2002 at twenty-five percent per year.
- (10) Nonqualified stock option grant to purchase 150,000 shares of common stock with a term of ten years. Share grants vest over a period of five years from January 1, 2002 at twenty percent per year.

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.