

MARKELL ERIC M  
Form 4  
February 13, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
MARKELL ERIC M

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

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)  
02/09/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. VP Energy Resources

BELLEVUE, WA 980045591  
  
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common	02/09/2006		M		1,320	A	\$ 21.01
							10,550
							I
							By Brokerage Account
Common	02/09/2006		F		143	D	\$ 21.01
							10,407
							I
							By Brokerage Account
Common							134
							D

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 required to respond unless the form**

SEC 1474 (9-02)

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)	Amount or Number of Shares
LTIP	<u>(1)</u>	02/09/2006		M	6,601	12/31/2005 12/31/2005	Common	6,601
LTIP	\$ 0 <u>(1)</u>					12/31/2006 12/31/2006	Common	15,300
LTIP	\$ 0 <u>(2)</u>					12/31/2007 12/31/2007	Common	13,700
LTIP - 3 year cycle	\$ 0 <u>(3)</u>					12/31/2006 12/31/2006	Common	14,600
PSE Deferred Compensation Plan	\$ 0 <u>(4)</u> <u>(5)</u>					<u>(4)</u> <u>(4)</u>	Common	1,100

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARKELL ERIC M 10885 NE 4TH STREET, PSE-12 BELLEVUE, WA 980045591			Sr. VP Energy Resources	

## Signatures

/s/ Markell, Eric  
M. 02/13/2006

\*\*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) 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.

(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 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 stock when vested in an amount ranging from zero to 192.5% of LTIP Share Grants.
- (4) Phantom share units deferred in the Puget Sound Energy Deferred Compensation Plan.
- (5) One common share will be received for each stock unit.

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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