

**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): July 21, 2008

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 10885 - N.E. 4th Street, Suite 1200 Bellevue, Washington 98004-5591 (425) 454-6363	91-1969407
1-4393	PUGET SOUND ENERGY, INC. A Washington Corporation 10885 - N.E. 4th Street, Suite 1200 Bellevue, Washington 98004-5591 (425) 454-6363	91-0374630

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

On July 21, 2008, the Company issued a press release on a proposed merger settlement which is attached as Exhibit 99.1. Also included as Exhibit 99.2 is the letter notifying the Washington Utilities and Transportation Commission.

Item 9.01 Financial Statements and Exhibits.

(c) EXHIBITS.

- 99.1 Press release on the proposed merger settlement.
- 99.2 Letter to Administrative Law Judge of the Washington Utilities and Transportation Commission regarding prompt notice of settlement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PUGET ENERGY, INC.

PUGET SOUND ENERGY, INC.

By: /s/ Eric M. Markell

Eric M. Markell
Executive Vice President and
Chief Financial Officer

Dated: July 21, 2008

News Release

For Immediate Release

July 21, 2008

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Puget Sound Energy and Puget Holdings reach multi-party settlement with parties in merger case being reviewed by the Washington Utilities and Transportation Commission

BELLEVUE, Wash. – Puget Sound Energy (PSE), utility subsidiary of Puget Energy (NYSE: PSD), and Puget Holdings LLC (Puget Holdings), a consortium of long-term infrastructure investors, today announced that they have reached a settlement to resolve all issues with several of the parties involved in the merger proceeding before the Washington Utilities and Transportation Commission (UTC). The UTC must still review the settlement and other evidence in the proceeding and issue its decision on the merger request.

In addition to PSE and Puget Holdings, the parties that have reached an agreed resolution of the issues include the UTC staff, the Industrial Customers of Northwest Utilities (ICNU), Northwest Industrial Gas Users (NWIGU), the Energy Project, the Northwest Energy Coalition, and The Kroger Company. The Cogeneration Coalition has indicated it will not oppose the settlement.

The parties have notified the administrative law judge in the UTC case via letter that they will file a settlement stipulation as early as tomorrow or Wednesday outlining the settlement agreement. In the settlement stipulation the parties intend to request that the UTC suspend the current procedural schedule and set a prehearing conference as soon as possible to determine a procedural schedule for hearing on the settlement.

About Puget Sound Energy

Washington state's oldest and largest energy utility, with a 6,000-square-mile service area stretching across 11 counties, Puget Sound Energy serves more than 1 million electric customers and 735,000 natural gas customers, primarily in western Washington. PSE, a subsidiary of Puget Energy (NYSE: PSD), meets the energy needs of its growing customer base through incremental, cost-effective energy conservation, low-cost procurement of sustainable energy resources, and far-sighted investment in the energy-delivery infrastructure. PSE employees are dedicated to providing great customer service to deliver energy that is safe, reliable, reasonably priced, and environmentally responsible. For more information, visit www.PSE.com.

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About Puget Energy

Puget Energy (NYSE: PSD) is the parent company of Puget Sound Energy (PSE), a regulated utility providing electric and natural gas service primarily to the growing Puget Sound region of western Washington. For more information, visit www.PugetEnergy.com.

About Puget Holdings LLC

Macquarie Infrastructure Partners

Macquarie Infrastructure Partners (MIP), headquartered in New York, is a diversified unlisted fund focusing on infrastructure investments in the United States and Canada. The majority of MIP investors are US and Canadian institutions such as public pension funds, corporate pension funds, endowments and foundations and Taft-Hartley (Labor) funds. MIP has thirteen committed investments including stakes in regulated utilities such as Aquarion Company, a regulated New England water utility, Duquesne Light, a regulated electric utility in Pittsburgh and investments in several other infrastructure and essential service businesses in the US and Canada.

Macquarie Capital Group

Macquarie Capital Group Limited is recognized as a leading global investor and manager of infrastructure businesses. Members of the Macquarie Capital Group manage more than US\$50 billion in equity invested in infrastructure and essential service assets around the world through a range of listed and unlisted vehicles. Infrastructure investments managed by Macquarie include investments in the regulated energy, utility, water, transportation and telecommunications sectors around the world. Macquarie aims to manage investments in infrastructure assets profitably and responsibly.

CPP Investment Board

The CPP Investment Board is a professional investment management organization that invests the funds not needed by the Canada Pension Plan to pay current benefits on behalf of 17 million Canadian contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, the CPP Investment Board invests in public equities, private equities, real estate, inflation-linked bonds, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in London and Hong Kong, the CPP Investment Board is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At March 31, 2008, the CPP Fund totaled C\$122.7 billion. For more information about the CPP Investment Board, visit www.cppib.ca.

bcIMC

British Columbia Investment Management Corporation (bcIMC) is an investment management corporation based in Victoria, B.C. With over C\$85 billion in assets under administration with global exposure, and supported by industry-leading investment expertise, bcIMC offers fund management services for all major asset classes, including currency and infrastructure investment. bcIMC's Strategic Investment and Infrastructure Program seeks to acquire long term interests in tangible infrastructure assets which hold the potential to generate strong returns and cash yields to its clients. The program has a global focus with holdings in North America, Latin America, and Europe. bcIMC's clients include public sector pension plans, public trusts, and insurance funds. For more information, visit www.bcimc.com.

AIMCo

Alberta Investment Management Corporation (AIMCo), based in Edmonton, Alberta, is one of the largest public sector asset managers in Canada, with US\$73 billion in assets under management as of March 31, 2008. AIM manages capital for public sector pension plan and government endowment fund clients across a wide variety of asset classes. Alternative investments include private equity, real estate, timberland, and infrastructure. AIMCo has made infrastructure investments and investment commitments of approximately US\$1.7 billion and has significant investment experience in the regulated energy and utility sectors. Infrastructure investments are made on a long-term basis, and the portfolio is diversified across sector and geography, including investments in North America, Europe, Asia, and Australia. For more information on AIMCo and its investments, please visit www.aimco.alberta.ca.

MFIT

Macquarie-FSS Infrastructure Trust ("MFIT") is an unlisted Australian infrastructure trust managed by Macquarie Specialised Asset Management Limited ("Manager"). The investment objective of MFIT is to make investments in a diversified range of infrastructure and infrastructure-like assets. MFIT currently holds interests in four assets across four sectors in three countries (the USA, the UK and Spain). Assets include electricity and water infrastructure, communications infrastructure and vehicle inspection services.

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July 21, 2008

Dennis Moss, Administrative Law Judge
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *In the Matter of the Joint Application of Puget Holdings LLC and Puget Sound Energy Inc. for an Order Authorizing Proposed Transaction*
Docket U-072375

Dear Judge Moss:

I am sending this letter on behalf of Commission Staff, Puget Sound Energy, Inc., Puget Holdings LLC, the Industrial Customers of Northwest Utilities (ICNU), Northwest Industrial Gas Users (NWIGU), The Energy Project, The Kroger Company, and the Northwest Energy Coalition. These parties have reached an agreed resolution of all issues before the Commission in this docket. We are sending this letter now pursuant to the Commission's request for prompt notice of such matters in WAC 480-07-740(1)(c). These parties understand this resolution is subject to Commission approval.

These parties plan to file a Settlement Stipulation tomorrow (Tuesday, July 22, 2008), but in no event later than noon on Wednesday (July 23, 2008). In that filing, these parties will ask that the Commission suspend the hearings currently set for July 28-31, 2008, and set a prehearing conference as soon as possible to determine a procedural schedule for hearing on the settlement. The prehearing conference currently held open for Wednesday, July 23, 2008, or Monday, July 28, 2008, are obvious dates for such a prehearing conference.

Dennis Moss
July 21, 2008
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These parties expect the Settlement Stipulation will likely be filed as a “multiparty” settlement, as the Commission defines that term in WAC 480-07-730(3). We anticipate that all parties who have actively participated in this proceeding, with the exception of Public Counsel, will sign the Settlement Stipulation. The Cogeneration Coalition has indicated it will not oppose the Settlement.

Sincerely,

/s/ Donald T. Trotter

DONALD T. TROTTER
Senior Counsel

DTT:klg
Enclosures
cc: Parties