

PUGET SOUND ENERGY INC
Form 8-K
October 24, 2001

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

October 23, 2001

October 23,

(Date of earliest
event reported)

PUGET ENERGY, INC.

(Exact name of registrant as specified in its charter)

Commission File Number 1-16305

Washington
(State or other jurisdiction of
incorporation or organization)

91-19
(IRS Emp
Identification

411 - 108th Avenue N.E., Bellevue, Washington 98004-5515

(Address of principal executive offices)

(425) 454-6363

(Registrant's telephone number, including area code)

ITEM 5. Other Events

On October 23, 2001 the Company issued the following press release.

Puget Energy reports third-quarter 2001 results

Bellevue, Wash. (October 23, 2001) - Puget Energy (NYSE: PSD) today reported 2001 third-quarter income for common stock of \$4.7 million, or 5 cents per diluted share compared to income for common stock for the third quarter of 2000 of \$16.8 million, or 20 cents per diluted share.

Income for common stock for the twelve months ended September 30, 2001 was \$159.3 million, or \$1.84 per diluted share, compared to income of \$175.3 million, or \$2.05 per diluted share for the same period one year ago.

Operationally, we are succeeding in our goal of becoming the best distribution company in terms of delivering high-quality service at the lowest possible cost said William S. Weaver, chairman, president and CEO of Puget Energy. Financially, results reflect the adverse effects of under-recovery of the costs of power required to serve our customers, added Weaver. Efforts with the state to allow recovery of those costs are ongoing and critical to providing reliable service to customers in the most innovative and cost-effective manner.

FACTORS IN THIRD-QUARTER RESULTS

Operating revenues for the third quarter were \$619.7 million, down from \$979.0 million for the same period in 2000. The decrease in revenue resulted primarily from declining levels of sales of electricity at market-based prices to utilities and others. At the residential level, revenue increases resulting from an increase in the number of customers served were offset by reductions in load resulting from implementation of the company's Personal Energy Management program, conservation incentives and other factors.

Utility operations and maintenance expenses of \$64.2 million, compared to \$55.9 million in 2000, increased primarily due to costs related to the Personal Energy Management energy-efficiency program and budgeted increases in non-production operations and maintenance costs.

Results for the third quarter of 2001 include approximately 8 cents of earnings related to ConneXt®, the company's software subsidiary: a 9-cent per-share gain from the previously-announced sale of the assets ConneXt to Alliance Data Systems Corp., net of ConneXt's operating loss of approximately 1 cent per share through the date of the sale.

Also, in the third quarter, the company's utilities-services subsidiary, InfrastruX Group, completed its seventh acquisition, expanding its electric overhead distribution service capabilities in the South Central region of the country. With this acquisition, InfrastruX's annualized revenues increased to approximately \$225 million.

FACTORS IN 12-MONTH RESULTS

Operating revenues for the 12-month period were \$4.0 billion, up from \$2.8 billion for the same period in 2000. Twelve-month revenues increased primarily as a result of increased wholesale and market-based electric sales, compared to the same period one year ago.

Twelve-month utility operations and maintenance expenses for 2001 were affected by the same factors as the quarter.

THIRD-QUARTER EARNINGS ANALYST TELECONFERENCE

A conference call for analysts to discuss with management the third-quarter results and the outlook for future performance is scheduled at 7:00 a.m. PDT, (10 a.m. EDT) Tuesday, October 23, 2001. The call will be broadcast live

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through a Web cast at www.pse.com in the Investors Web page. The Web cast will be archived and available for replay following the live call.

PUGET ENERGY - SUMMARY INCOME STATEMENT

(In thousands, except per-share amounts)

	3 months ended 9/301		12
	2001	2000	
Operating revenues			
Electric	\$ 474,319	\$ 886,696	\$ 2
Gas	91,778	72,798	
Other	53,573	19,487	
Total operating revenues	619,670	978,981	3
Operating expenses			
Purchased electricity	261,148	660,249	1
Purchased gas	50,976	35,885	
Electric generation fuel	67,949	55,381	
Residential exchange	(19,270)	(7,983)	
Utility operations & maintenance	64,213	55,947	
Other operations & maintenance	47,881	19,393	
Depreciation & amortization	54,195	49,677	
Conservation amortization	1,440	1,188	
FAS-133 unrealized (gain)/loss	567	---	
Other taxes	38,671	42,556	
Federal income taxes	6,144	9,090	
Total operating expenses	573,914	921,383	3
Operating income	45,756	57,598	
Other income	7,892	5,273	
Income before interest charges	53,648	62,871	
Interest charges	46,839	43,876	
Net income before cumulative effect of accounting change	6,809	18,995	
FAS-133 transition adjustment loss (net of tax)	---	---	
Net Income	6,809	18,995	
Less preferred stock dividend accruals	2,085	2,229	
Income for common stock	\$ 4,724	\$ 16,766	\$
Common shares outstanding	86,571	85,502	
Basic earnings per common share before cumulative effect of accounting change	\$ 0.06	\$ 0.20	\$
Cumulative effect of accounting change	---	---	
Basic earnings per common share	\$ 0.06	\$ 0.20	\$

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Diluted earnings per common share before cumulative effect of accounting change	\$ 0.05	\$ 0.20	\$
Cumulative effect of accounting change	---	---	
Diluted earnings per common share ³	\$ 0.05	\$ 0.20	\$

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.

PUGET SOUND ENERGY1 - UTILITY OPERATING DATA

	3 months ended 9/30		12 months ended 9/30	
	2001	2000	2001	2000
Energy sales revenue				
Electricity				
Residential	\$ 105,058	\$ 112,095	\$ 594,051	\$ 618,146
Commercial	113,372	119,644	518,374	530,146
Industrial	39,663	100,643	362,654	362,654
Transportation	351	---	336	---
Other ²	(21,805)	13,298	29,778	---
Subtotal, retail sales	236,639	345,680	1,505,193	1,541,046
Sales to other utilities	237,680	541,016	1,462,979	1,462,979
Total electricity sales	474,319	886,696	2,968,172	3,004,025
Gas				
Residential	41,672	35,582	476,087	476,087
Commercial	35,366	24,897	249,157	249,157
Industrial	9,340	6,567	48,348	48,348
Transportation	3,133	2,997	11,557	11,557
Other ²	2,267	2,755	9,938	---
Total gas sales	91,778	72,798	795,087	785,149
Total energy sales revenues	\$ 566,097	\$ 959,494	\$ 3,763,259	\$ 3,789,174
Energy sales volumes				
Electricity (in mWh)				
Residential	1,748,140	1,829,843	9,653,129	9,653,129
Commercial	1,890,011	1,927,699	7,942,594	7,942,594
Industrial	597,730	1,037,047	3,114,140	3,114,140
Transportation	60,272	---	60,272	---
Other ²	78,501	5,303	(28,496)	---
Subtotal, retail sales	4,374,654	4,799,892	20,741,639	20,741,639
Sales to other utilities	2,156,417	5,538,824	10,378,520	10,378,520
Total mWh	6,531,071	10,338,716	31,120,159	31,120,159
Gas (in 000's of therms)				
Residential	35,160	39,641	509,012	509,012
Commercial	40,971	38,420	301,416	301,416

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Industrial	11,143	11,497	60,377	
Transportation	45,093	46,655	187,560	
Total gas volumes	132,367	136,213	1,058,365	1

Customers served ³				
Electricity				
Residential	829,331	813,714	822,261	
Commercial	100,334	99,067	99,734	
Industrial	3,998	4,076	4,036	
Other	1,818	1,555	1,698	
Total electricity customers	935,481	918,412	927,729	
Gas				
Residential	549,890	534,042	544,877	
Commercial	46,789	45,347	46,505	
Industrial	2,842	2,957	2,871	
Transportation	112	100	110	
Total gas customers	599,633	582,446	594,363	

Weather				
Actual heating degree days	280	269	5,085	4,
Normal heating degree days	279	279	4,908	4,

1 Puget Sound Energy is the electric and natural gas utility subsidiary of Puget Energy.

2 Includes change in unbilled revenues, Conservation Trust collection, Encogen non-energy sales, sales of non-core gas supply to generators and the customers' refunded portion of Centralia gain.

3 Quarterly data represents average served during September; 12-month data represents average for the 12 months ended.

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.

James W. Eldredge

James James W. Eldredge

Corporate Secretary and Chief Accounting Officer

Date: October 23, 2001