

**INDEPENDENT ACCOUNTANTS' REPORT**

To the Board of Directors  
Peninsula Light Company  
Gig Harbor, Washington

We have examined management's assertion that Peninsula Light Company complied with the State of Washington's Ballot Initiative 937 ("I-937") as of and for the years ended December 31, 2017 and 2016. Peninsula Light Company's management is responsible for the assertion. Our responsibility is to express an opinion on management's assertion about Peninsula Light Company's compliance with the specific requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on Peninsula Light Company's compliance with specified requirements.

In our opinion, management's assertion that Peninsula Light Company complied with I-937 is fairly stated.

*Peterson Sullivan LLP*

May 7, 2018