



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

**Report on Compliance with the Energy
Independence Act**

**Public Utility District No. 3 of Mason
County**

For the period January 1, 2014 through December 31, 2014

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Report No. 1013987





Washington State Auditor Troy Kelley

April 13, 2015

Board of Commissioners
Public Utility District No. 3 of Mason County
Shelton, Washington

Report on Compliance with the Energy Independence Act

In November 2006, Washington voters approved Initiative 937, also referred to as the Energy Independence Act. The Act requires electric utilities with more than 25,000 customers to meet renewable energy and energy conservation targets.

Our Office is required to examine municipal utilities' and public utility districts' compliance with these targets. As of this reporting period, 12 such utilities with more than 25,000 customers were operating in Washington State. Public Utility District No. 3 of Mason County is one of those utilities.

Please find attached our report on Public Utility District No. 3 of Mason County's compliance with the Act.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

INDEPENDENT ACCOUNTANT'S REPORT

Public Utility District No. 3 of Mason County January 1, 2014 through December 31, 2014

Board of Commissioners
Public Utility District No. 3 of Mason County
Shelton, Washington

We have examined Public Utility District No. 3 of Mason County's compliance with the requirements of the Energy Independence Act codified in the Revised Code of Washington (RCW) 19.285.040. Specifically, we examined whether the Utility:

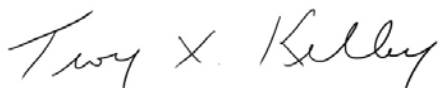
- Complied with its renewable energy target in accordance with the Act's requirements. The target compliance period was January 1, 2014 through December 31, 2014.

Management is responsible for the Utility's compliance with those requirements. Our responsibility is to express an opinion on the Utility's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Accordingly, it included examining on a test basis, evidence about the Utility's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Utility's compliance.

In our opinion, Public Utility District No. 3 of Mason County complied, in all material respects, with the aforementioned statutory requirements as of the annual renewable compliance period ended December 31, 2014.

Our examination disclosed no issues that are required to be reported under *Government Auditing Standards*.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

April 6, 2015

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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