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November 14, 2007

VIA HAND DELIVERY AND E-MAIL

Gene Eckhardt
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Iliad Water Services, Inc. – Docket No. UW-071885 –
Management Plan

Dear Gene:

This is to report to you that the Company has determined that there will not be significant opportunities for capital investment in the short run. However, with a negative equity of approximately \$25,000, the Company believes that some opportunities will exist over the next few years as minor capital expenditure requirements arise. The owner will make every effort to fund these capital expenditures as owner's equity, assuming satisfactory resolution of the pending rate case.

Further, if the Company does not have a positive capital structure within five years, the Company will seek a buyer and endeavor to find other investors or new ownership.

Sincerely,



RICHARD A. FINNIGAN

RAF/km

cc: Amy White (via hand delivery and e-mail)
Derek Dorland (via e-mail)

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