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September 17, 2007

VIA E-MAIL AND HAND DELIVERY

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

Re: Iliad Water Service, Inc. – First Revised Sheet No. W-1 Canceling
Original Sheet No. W-1; First Revised Sheet No. W-2 Canceling
Original Sheet No. W-2; First Revised Sheet No. W-3 Canceling
Original Sheet No. W-3; First Revised Sheet No. W-4 Canceling
Original Sheet No. W-4; First Revised Sheet No. W-5 Canceling
Original Sheet No. W-5; First Revised Sheet No. W-6 Canceling
Original Sheet No. W-6

Dear Ms. Washburn:

Enclosed are the original and three copies of the above-referenced tariff sheets. The purpose of this filing is to increase the Company's basic service rates.

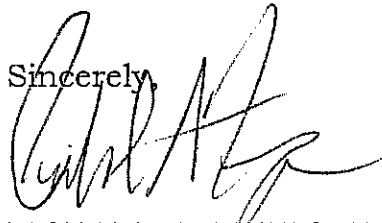
The filing uses a 2006 test period. The Company's annual report contains the balance sheet and income statement for 2006 and is on file with the Commission. The Company's general ledger is available for the Commission's inspection. The Company will provide usage information to Staff under separate cover. A copy of the depreciation schedule is enclosed and a results of operations statement is also enclosed. The proposed filing is based upon the results of operation which shows that the Company is operating at a loss. To the extent that the information provided with this letter or under separate cover do not meet all of the requirements of WAC 480-07-530, the Company respectfully requests a waiver of any deficiencies.

Carole Washburn
September 17, 2007
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A copy of the customer notice which was mailed to the customers is enclosed.

The proposed increase is from the rate the customers on the Alder Lake and Stavis water systems are currently charged of \$23.13 to \$56.19 per month for the flat rate. This is an increase of 143%. Customers on the Cascade Crest system have a current monthly base rate of \$26.26. That rate would increase to \$59.52 per month, also an increase of 143%. The filing will produce annual revenue of \$60,822.00.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard A. Finnigan', written over the word 'Sincerely,'.

RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: Derek Dorland (via e-mail, w/o encl.)
Amy White (via hand delivery, w/encl.)