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June 24, 2016

VIA E-FILING

Mr. Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Iliad Water Services, Inc. - Third Revised Sheet No. W-4 Cancelling Second
Revised Sheet No. W-4

Dear Mr. King:

Attached you will find the above-referenced tariff sheet filing. The purpose of this filing is to pass through an increase in water rates from the City of Monroe to the company. The City has substantially increased its rates this past year. Attached you will find sample invoices from March, April and May of 2015 and invoices from the same period from 2016. By calculating the amount that is paid per 100 cubic feet, the effective rate increase for the City of Monroe is from just over \$4.54 per 100 cubic feet in 2015 to \$8.34 per 100 cubic feet in 2016. This filing effects all customers. The Company serves only residential customers.

The Company has encountered substantial bills from the City of Monroe that are not covered by the revenues received from customers on the Marbello Water System. Although the requested increase is more than three percent of the Company's revenue received in 2015, the Company requests a waiver of WAC 480-07-530(4). The reason for the waiver is that this filing is meant to be a pass through filing of what it pays to the City of Monroe and is not meant to generate additional revenue for the benefit of the water system's owners.

The Company has provided Staff with a balance sheet, income statement and depreciation schedule. The only adjustment that would be filed is the adjustment for the City of Monroe, other than a rate case expense adjustment which the Company is willing to absorb for this filing to get the pass-through in place.

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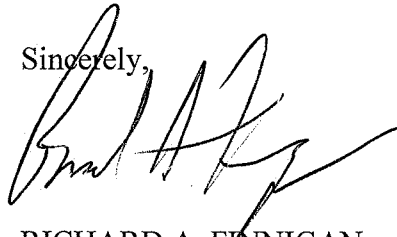
In addition, the Company will be filing a general rate increase before the end of the year and most likely by September that will allow the Commission to fully examine the Company's costs of operation compared to the revenues it receives and make a determination as to the appropriate rate or rates to be paid by the Company's customers. It is expected that the general rate case will take time to process. Thus, the need for this pass-through.

Thank you for your attention to this matter. The customers have been notified of the request for the increase and a copy of the customer notice is attached. The customer notice contains further information required by WAC 480-80-104 and WAC 480-07-530(4).

The undersigned has authority to file tariff sheets on behalf of the Company.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard A. Finnigan', written over a horizontal line.

RICHARD A. FINNIGAN

RAF/cs
Enclosures

cc: Client (via e-mail)