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October 2, 2008

VIA E-MAIL AND HAND DELIVERY

David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Iliad Water Service, Inc. – Docket No. UW-060343 – Surcharge
Compliance Filing

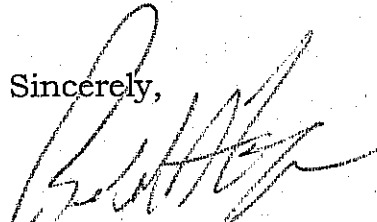
Dear Mr. Danner:

Pursuant to the requirements of WAC 480-110-455(4) and the Commission's orders in UW-060343, the quarterly report related to the treatment surcharge is attached.

In summary, nine customers chose the cash payment option. Twenty-eight customers are making monthly payments, although three of those customers have neither made any payments or responded to the water company notices. One customer has asked to make accelerated payments and the Company is attempting to accommodate the customer's request.

If you have any questions concerning the foregoing, please contact the undersigned.

Sincerely,



RICHARD A. FINNIGAN

RAF/km
Enclosure

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