Law Office of Richard A. Finnigan

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April 28, 2009

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. - Alderlake Water System - Treatment

Surcharge Report

Dear Mr. Danner:

Pursuant to the requirements of Docket UW-060343, Order 08, enclosed you will find a report which constitutes the first annual report under said Order concerning the repayment of the treatment facilities loan. The report shows all revenues collected from surcharges, amortization amounts showing payment of interest in principal and the loan balance due to Iliad, Inc.

Thank you for your attention to this matter.

RICHARD A. FÜNNIGAN

RAF/km Enclosure

cc: David Gomez (via e-mail)

Derek Dorland (via e-mail)