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March 10, 2008

VIA E-MAIL AND HAND DELIVERY

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

Re: Docket No. UW-071885 - Iliad Water Service, Inc.

Dear Ms. Washburn:

This will provide the Commission with an update of the status of this matter. Staff is currently drafting a settlement agreement which it expects to circulate to the Company in the near future. Mr. Fassio has informed me that it will take a little bit more time for Staff to finish its draft.

Both Mr. Fassio and I are of the opinion that the schedule should remain suspended and there is no need for further action in this docket until such time as the Company and Staff are ready to present the settlement agreement.

Thank you for your attention to this matter.

RICHARD A. FINNIGAN

RAF/km

cc: ALJ Ann Rendahl (via e-mail and hand delivery)
Michael Fassio (via e-mail and hand delivery)

Para Parland (via e-mail)

Dave Dorland (via e-mail)