

ORIGINAL

Watco, Inc.



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AZ CORP COMMISSION
DOCKET CONTROL

July 9, 2007

Re: Docket Number W-20475A-06-0550
W-20475A-06-0357

To Whom It May Concern:

Per request of the Arizona Corporation Commission, included herein is the method(s) by which Watco, Inc. intends to compensate for any expense(s) incurred during the installation of a new storage tank, tie-line, and any meter replacements that are above and beyond the amount financed by WIFA.

The difference of \$276,590.00, between the Engineer's Cost Estimate and the amount requested from WIFA, will be provided through the utilization of equity. Watco, Inc. will supply the labor associated with storage tank site preparation, tie-line and meter installations. Following is the labor breakdown of aforementioned activities:

Storage tank site preparation –	\$63,750.00
Tie-line installation –	\$130,000.00
Meter installations –	\$70,000.00
TOTAL	\$263,750.00

Please contact me with any questions/comments by any method mentioned in the header of this letter. Thank you.

Sincerely,

Thomas Grapp

Arizona Corporation Commission
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