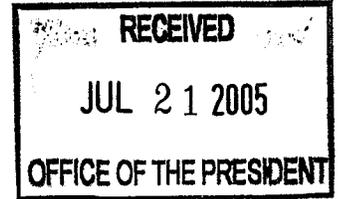




BETSEY BAYLESS
DIRECTOR
ARIZONA DEPARTMENT OF ADMINISTRATION



July 15, 2005

The Honorable Janet Napolitano
Governor of the State of Arizona
State Capitol
1700 W. Washington
Phoenix, AZ 85007

The Honorable Ken Bennett ✓
President of the Senate
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

The Honorable David Petersen
State Treasurer
Arizona Office of Treasurer
1700 W. Washington
Phoenix, AZ 85007

The Honorable James P. Weiers
Speaker of the House
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

Gary Yaquinto
Director
Office of Strategic Planning & Budgeting
1700 W. Washington
Phoenix, AZ 85007

Richard Stavneak
Director
Joint Legislative Budget Committee
1716 W. Adams
Phoenix, AZ 85007

Dear Governor Napolitano, Treasurer Petersen, President Bennett, Speaker Weiers, Mr. Yaquinto and Mr. Stavneak:

One of the primary responsibilities of the Arizona Department of Administration is to process Alternative Fuel Loss Reimbursement and Opt Out claims for payment from the consumer loss recovery fund. These payments are the result of:

- requests for reimbursement for monetary losses related to the purchase or conversion of an alternative fuel vehicle, home refueling apparatus and alternative fuel delivery systems, and
- requests for payment for the conversion cost/incremental cost for those who choose not to comply with the registration, ownership, fuel usage, and emission inspection provisions of the program.

In accordance with S.B. 1004, Section 37(B), the Director of the Department of Administration shall report the following amounts related to:

- The aggregate dollar amount of claims submitted for payment from the consumer loss recovery fund established by section 41-622.02, Arizona Revised Statutes, during the preceding calendar month.

For the period of June 1, 2005 through June 30, 2005, the office received no new alt fuel claims.

Cumulative Total: For the period of December 18, 2000 through June 30, 2005 the office received 2,570 applications for a total of \$77,023,500.38.

- The aggregate dollar amount of currently validated claims for payment from the fund.

For the period June 16, 2005 through July 15, 2005, no new claims were validated. No legal costs were incurred.

Cumulative Total: For the period of December 18, 2000 through July 15, 2005, 2,263 claims were validated for a total of \$13,227,560.86 including legal costs.

- The cumulative dollar amount of all claims paid from the fund.

For the period of June 16, 2005 through July 15, 2005, \$19,981 was paid from the consumer loss recovery fund.

Cumulative Total: For the period of December 18, 2000 through July 15, 2005, the total amount of combined costs paid is \$13,178,689.59 including claim costs of \$11,122,741.13 and legal costs of \$2,055,948.46.

Below is a graph showing the total amount of alternative fuel claims submitted and the amount paid to date.

