



September 30, 2015

Clark County Automotive Services  
4241 Stephanie Street  
Las Vegas, NV 89122

Attn: David W. Johnson

RE: CA Phase III RFG & AZ Maricopa County RFG Fuel Availability

In regards to California Phase III Reformulated Gasoline and Arizona Maricopa County Reformulated Gasoline availability in the Southern Nevada Market place I submit the following.

1. There are currently two pipelines that serve Southern Nevada, (one from Utah and one from California), and neither of these pipelines are able to pump or transfer either of these fuels. Due to this factor it makes it extremely challenging to bring this fuel into the market place. The only option for this fuel to be supplied to the Southern Nevada market place is by truck. This creates various logistic issues from sending trucks across states lines, availability of supply situations in both California and Arizona as well as road conditions, weather, etc... Further there are no local storage facilities for either of these fuels so they can only be brought in when a request for fuel is made which complicates the logistics even further. Therefore we cannot guarantee that the fuel will be delivered when requested due to these various factors that are outside of our control.
2. As stated above, there is no storage facility in Southern Nevada to store either of the fuels as the only entities using these fuels are fleets under the purview of NAC 486A. For Pilot Thomas Logistics to justify even conducting an analysis for a storage facility for either of these products, it would require a volume at a minimum of five (5) times the current level that's coming to the Southern Nevada.

In summary, neither of these two fuels are readily available in the Southern Nevada market place. With all of the logistical challenges that these fuels create it makes it inherently more expensive to bring these fuels into this market place. This directly translates to increased costs for the using entities as these fuels in of themselves are inherently more expensive which in the end costs the users significantly more in operating costs versus utilizing the fuels that are readily available and are able to be transported through the established fuel pipe lines.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Saxon", with a long horizontal flourish extending to the right.

John Saxon  
Western Region Sales Manager