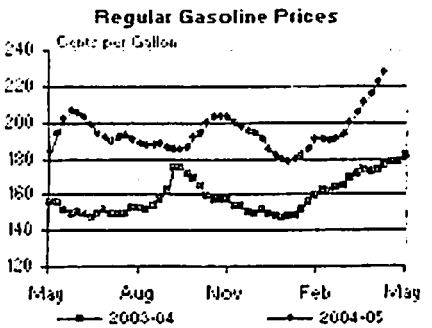
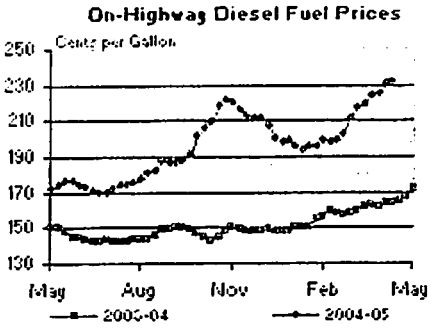
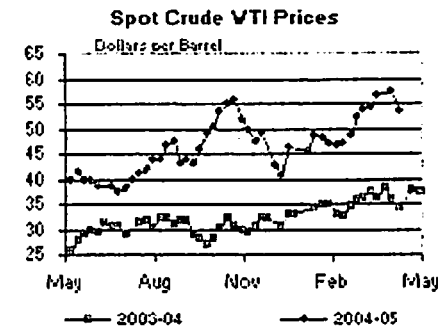
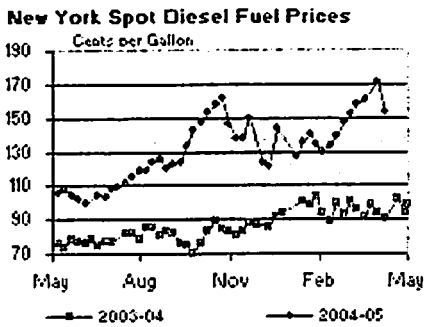


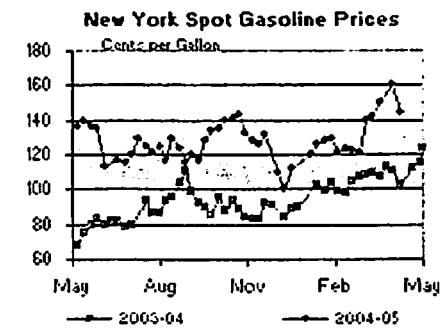


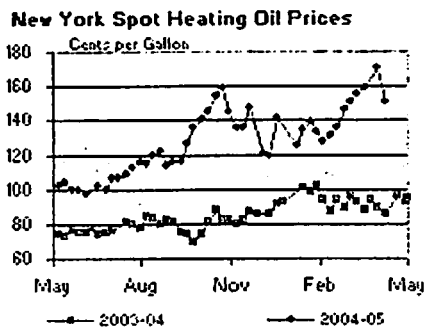
Retail Data		Changes From		Retail Data		Changes From	
04/11/05		Week	Year	04/11/05		Week	Year
Gasoline	228.0	↑ 6.3	↑ 49.4	Diesel Fuel	231.6	↑ 1.3	↑ 63.7

Spot Prices (Cents Per Gallon)





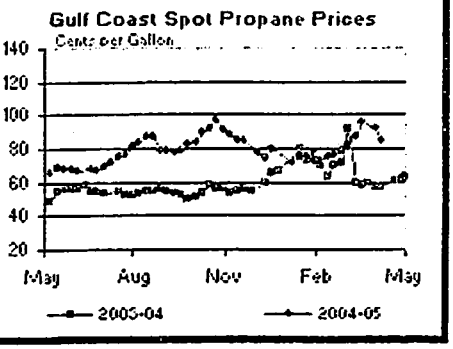




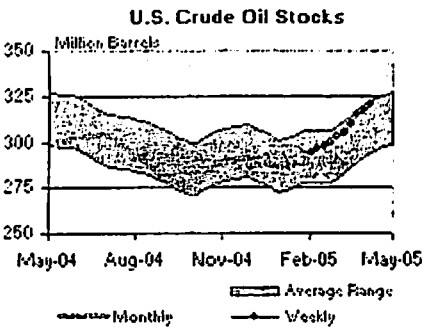
Spot Data		Changes From	
04/08/05		Week	Year
Crude Oil WTI	53.46	↓ - 3.80	NA
Gasoline (NY)	143.8	↓ - 16.6	NA
Diesel Fuel (NY)	153.2	↓ - 17.9	NA
Heating Oil (NY)	150.7	↓ - 19.4	NA

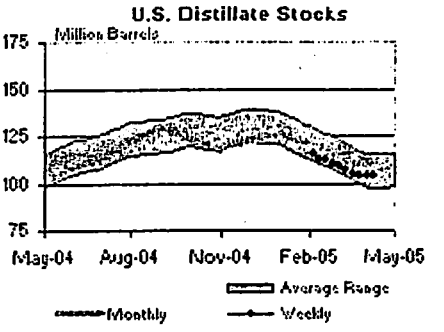
Propane Gulf Coast	84.6	↓ -7.3	NA

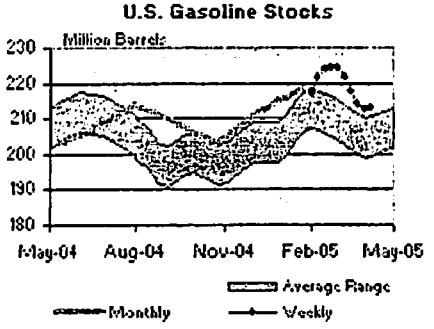
Note: Crude Oil WTI Price in Dollars per Barrel.

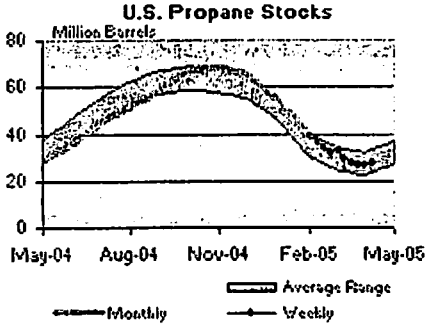


Stocks (Million Barrels)









Stocks Data		Changes From		Stocks Data		Changes From	
04/08/05		Week	Year	04/08/05		Week	Year
Crude Oil	320.7	↑ 3.6	↑ 25.3	Distillate	104.0	↓ -0.1	↑ 0.1
Gasoline	213.1	↑ 0.8	↑ 15.6	Propane	27.772	↑ 1.002	↑ 0.175

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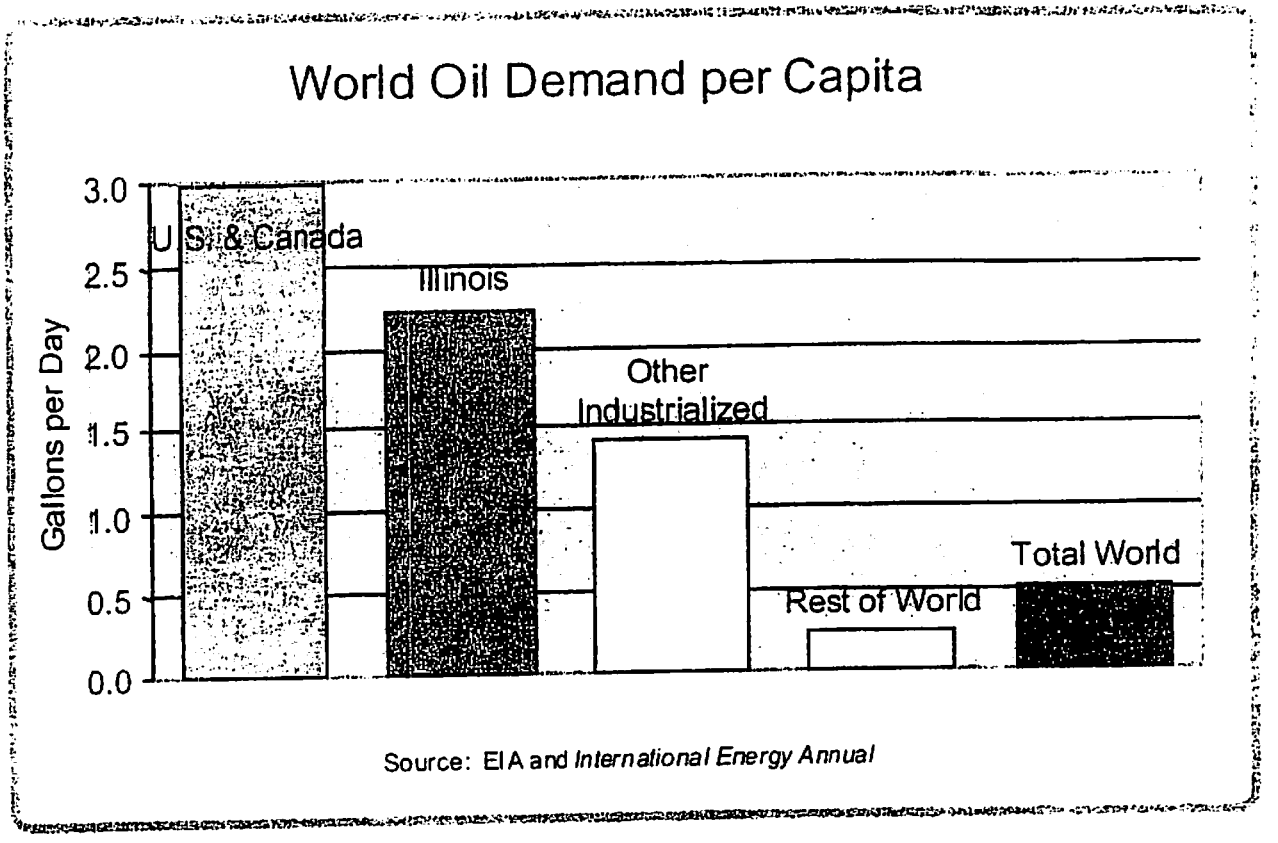
2

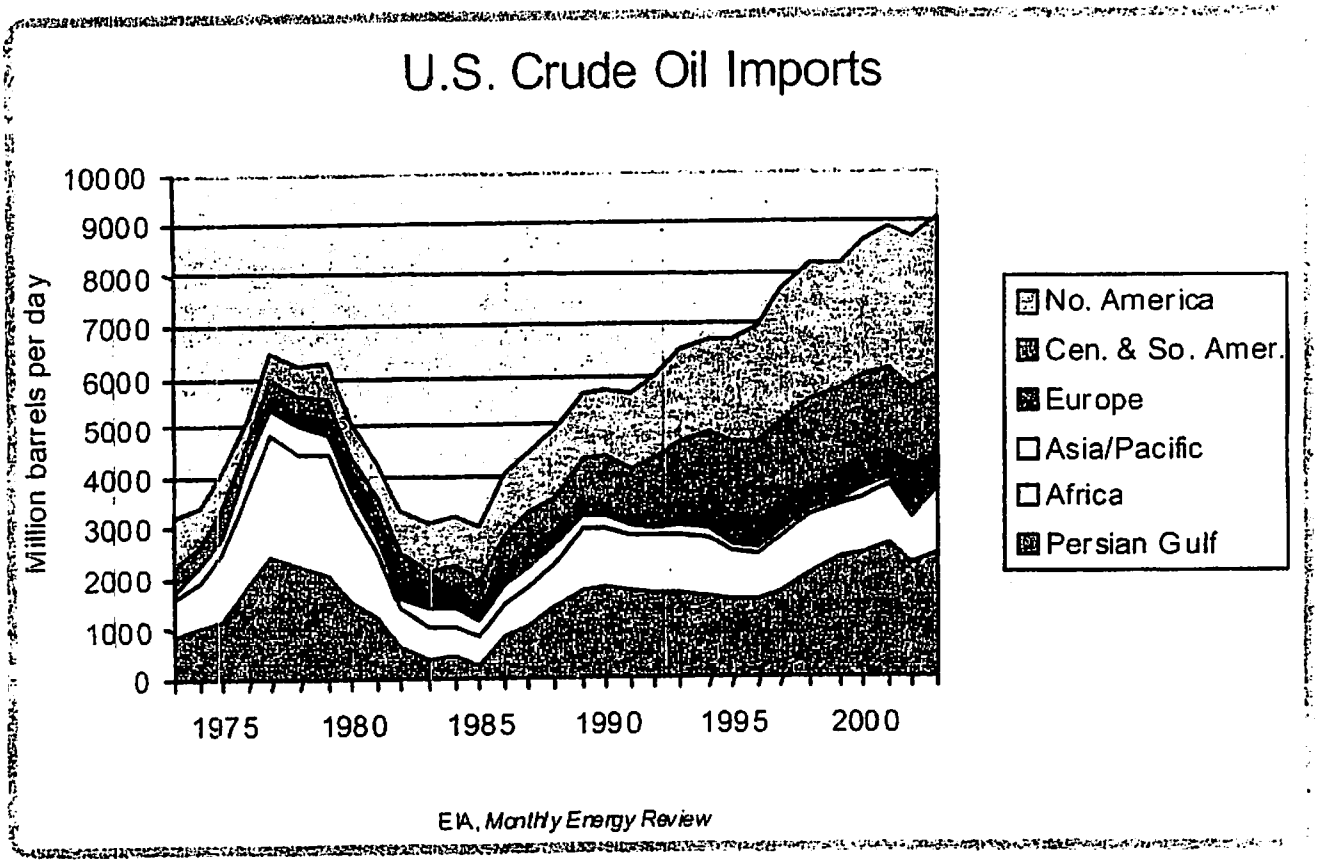
Demand Factors

The U.S. is the largest oil consuming nation.



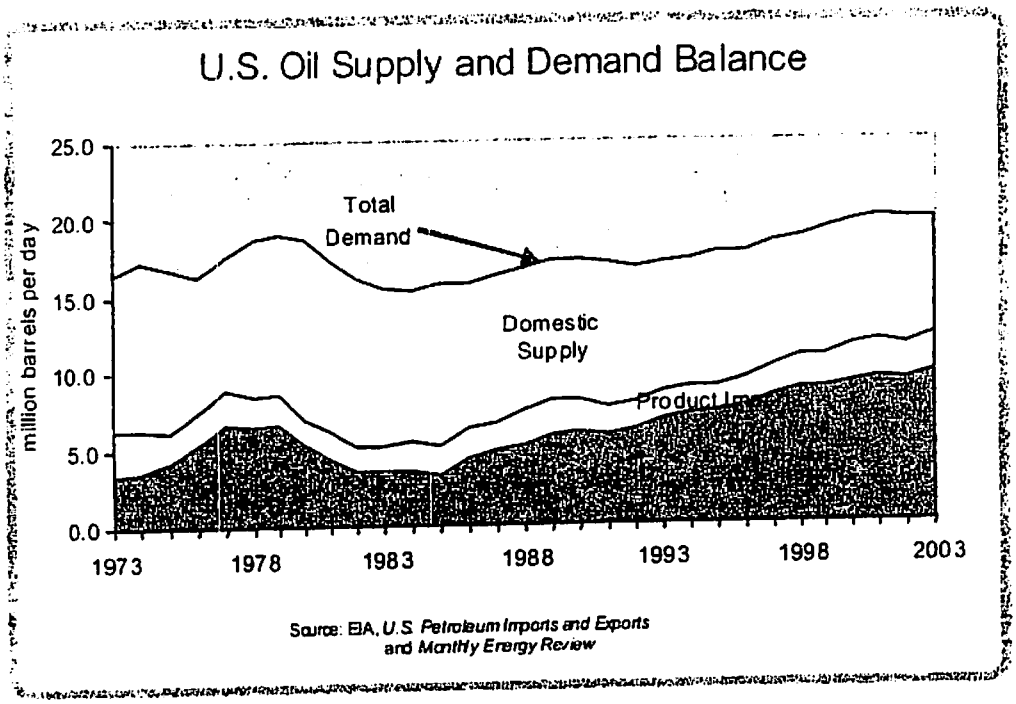
- The U.S. consumes about 20 million barrels of oil per day, or about one-fourth of global oil demand.
- On a per capita basis, U.S. oil demand is double that of other industrial nations and nearly six times the world average.

The U.S. has become increasingly dependent upon imports of crude oil and refined products.



- U.S. crude oil imports have nearly tripled since 1985.
- While imports have grown, U.S. dependence on Middle Eastern oil has lessened since the Arab Oil Embargo of 1973. Three-fourths of U.S. imports came from the Middle East and Africa in 1977, compared to about 40% today.
- Increasingly, the U.S. has purchased oil from the Western Hemisphere and North Atlantic; these sources have grown from 15% of U.S. imports in 1977 to half in 2003.
- Nevertheless, U.S. oil prices are no less vulnerable to a Middle East or other supply disruption, since oil is a global market.

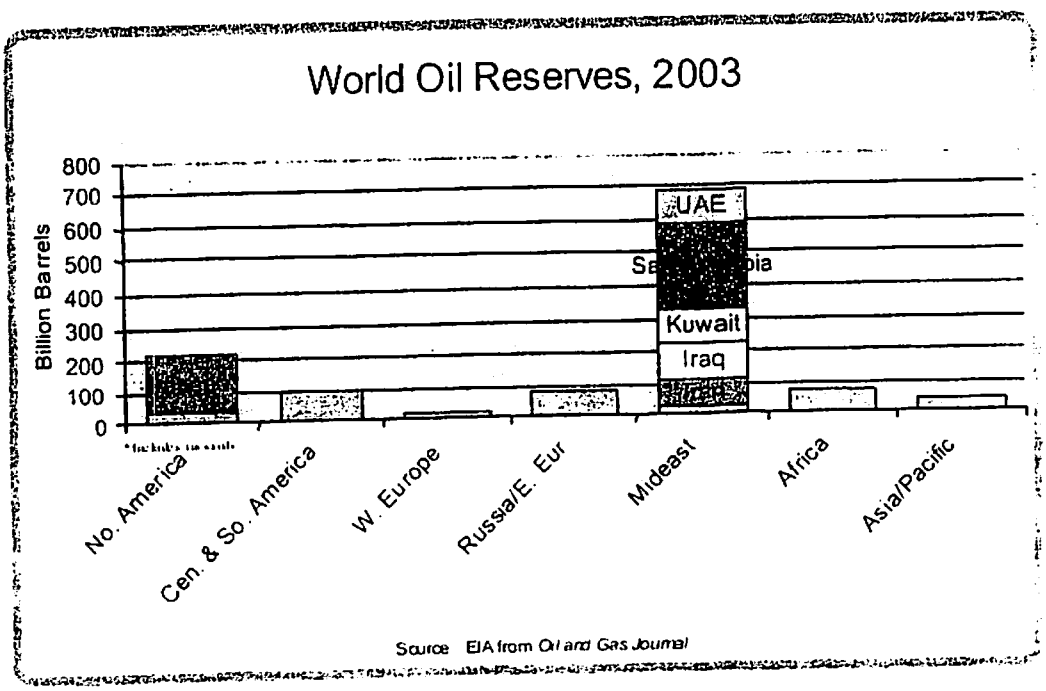
U.S. oil production is declining.



- While the U.S. is the second largest oil producing country in the world, it now only supplies 38% of its own oil needs, compared to 68% as recently as 1985.
- Domestic production is declining and is now at a 50-year low. Crude oil production has declined from 9.2 million barrels per day in 1970 to 5.7 million barrels in 1993, a drop of nearly 40%.

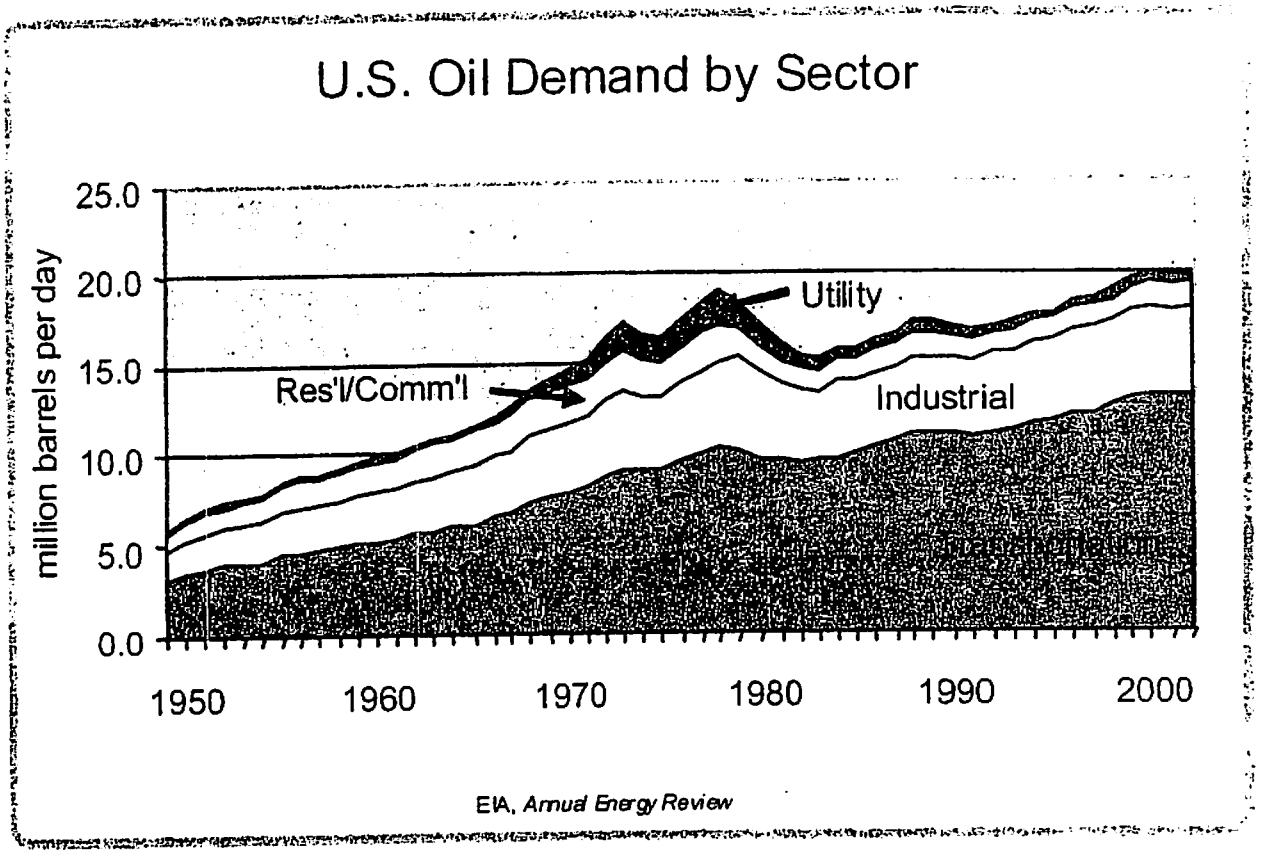
Most world oil reserves are found in the Middle East.

- U.S. proven reserves of oil have dropped to 22.7 billion barrels as of January 1, 2004, down about 20% since 1990, ranking the U.S. 11th among nations.
- Two-thirds of world reserves of conventional oil are found in the Middle East.
- The majority of North American reserves are locked up in the tar sands of Canada.



5

Oil demand has grown steadily, particularly for transportation



- U.S. oil demand has generally grown steadily during the past several decades. The U.S. consumes 30% more oil than twenty years ago and three times as much as in 1950.
- The transportation sector has grown most rapidly and now consumes two-thirds of total petroleum demand, up from half the total in 1950.
- The only periods when U.S. oil demand has declined have been during the Arab Oil Embargo and during the Arab Oil Embargo and during the early 1980s when high prices and such federal programs as CAFE (Corporate Average Fuel Economy) standards, the Fuel Use Act, and the Energy Policy Conservation Act combined to reduce fuel demand.

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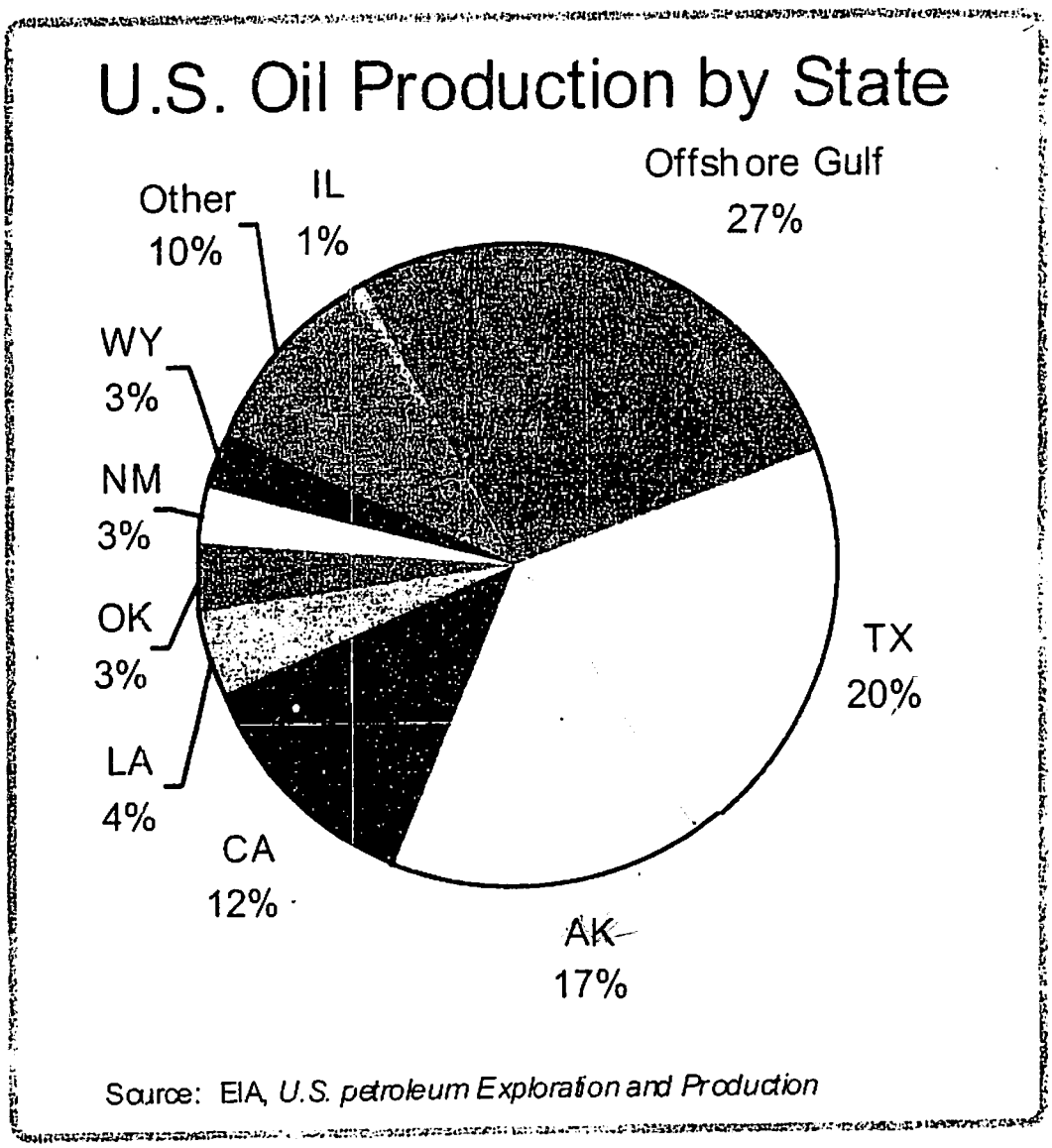
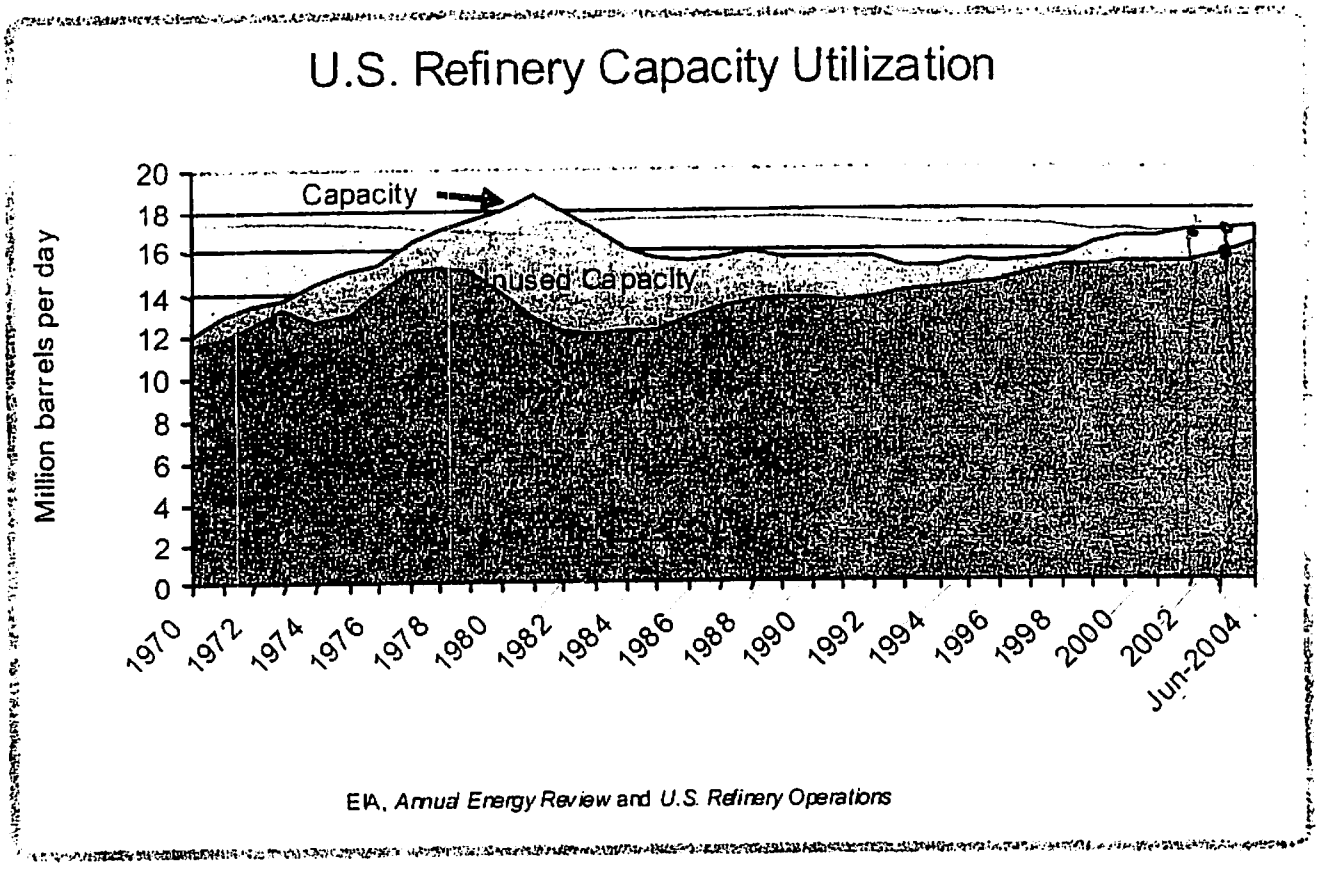
The largest U.S. reserves and production are now found offshore.



- Most of U.S. reserves and production are concentrated in Texas, Alaska, Louisiana, and California, including the nearby offshore in the Gulf of Mexico and Pacific.
- Illinois contains only one percent of U.S. reserves and one percent of annual production.

The very high capacity utilization at U.S. refineries poses a risk of supply interruptions and thus price increases.



- Petroleum refining capacity has not kept up with petroleum product demand. The approximately 150 domestic refineries (down from 324 refineries in 1981) are able to supply little more than 90% of gasoline demand. (Product imports make up the rest.)
- U.S. refineries are operating at record levels — capacity utilization is now at 96%. Such a high utilization rate makes the entire system susceptible to unforeseen supply disruptions when refinery operations are curtailed for whatever reason.

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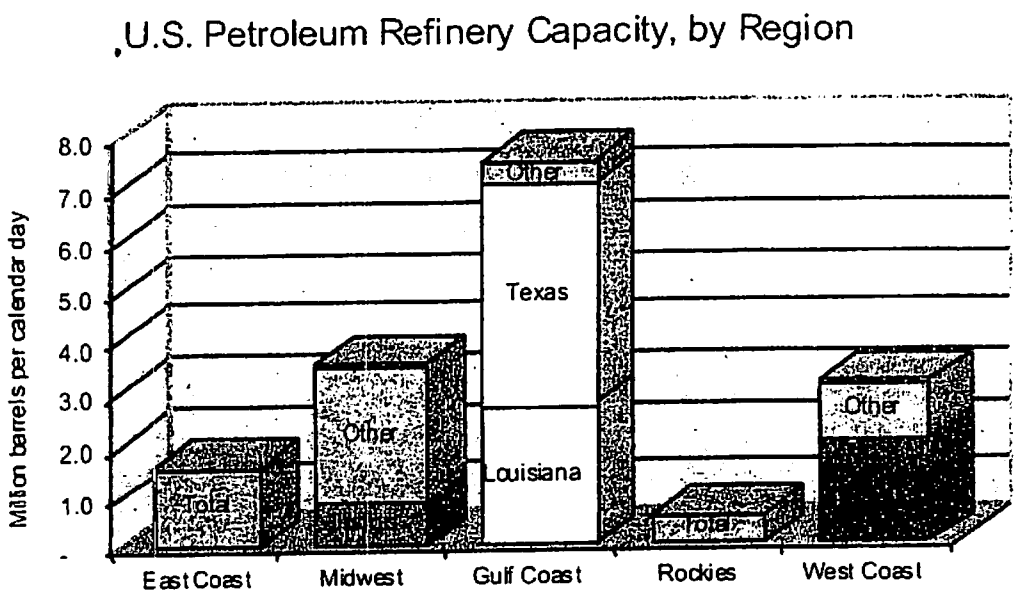
While Midwest refiners supply most of the region's needs, interdependence with other regions contributes to price volatility.

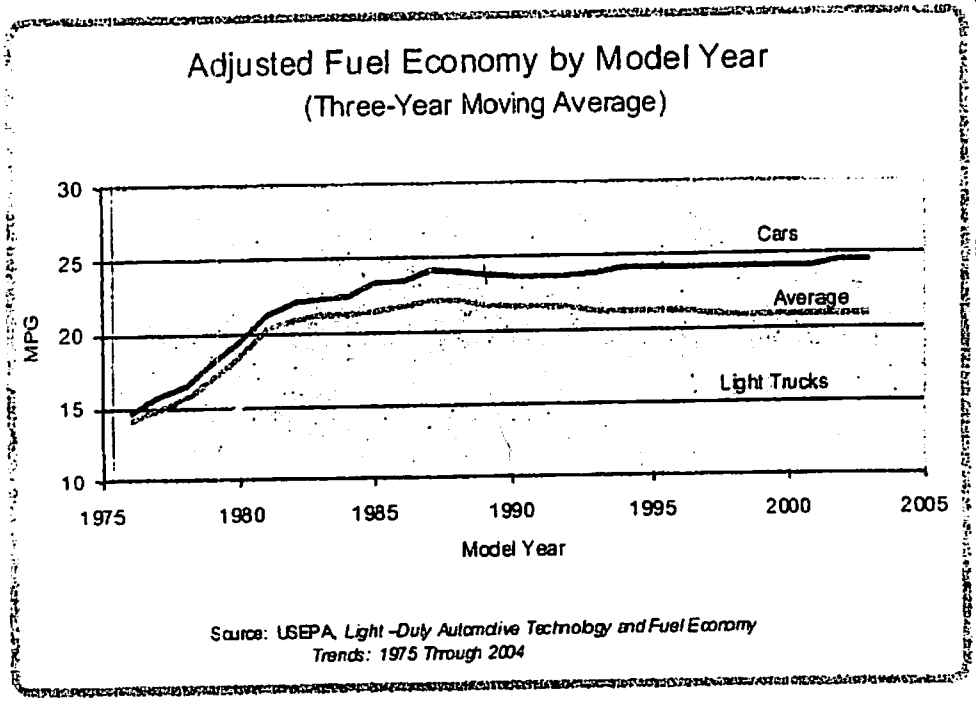


Illinois Refineries	Location	Barrels per Calendar Day
ExxonMobile	Joliet	238,000
Marathon Ashland Petro	Robinson	192,000
PDV Midwest Refining	Lemont	160,000
Phillips 66 Co.	Wood River	288,300

Source: EIA, *Petroleum Supply Annual*

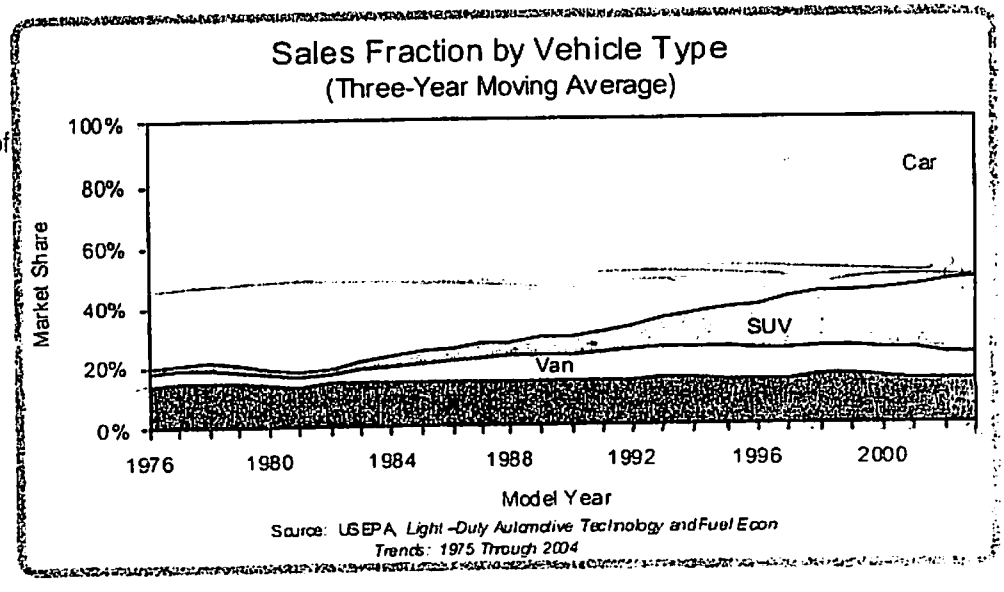
- Midwest refiners supply about 75% of the region's gasoline demand. with most of the rest coming from the Gulf Coast.
- Illinois has the largest refining capacity in the Midwest with four refineries capable of processing 878,000 barrels of crude per day.
- As a result of supply linkages, the Midwest, Gulf Coast, and East Coast supply regions can affect each other during summer high-demand season. Tight supplies in one can drive up prices in all three.

Vehicle fuel efficiency is declining, due to growth in market shares for heavier vehicles.



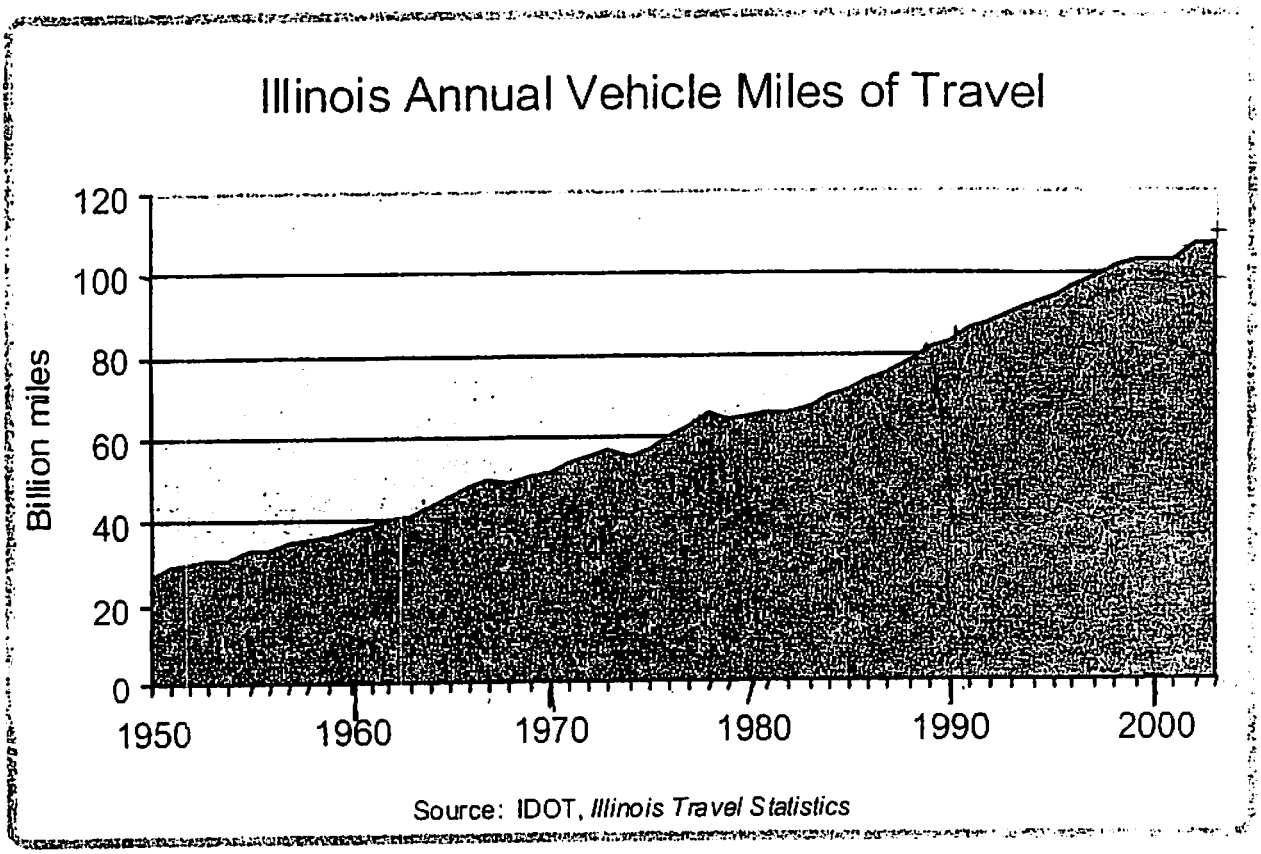
- Since the late 1980s, the fuel efficiency of new light-duty vehicles has gradually declined, now averaging less than 21 miles per gallon.
- New cars average 24.6 miles per gallon, while light trucks – which include pickups, vans and SUVs – average less than 18 mpg.
- Corporate Average Fuel Economy (CAFE) standards for cars remain at the same level as in 1985, although recent regulations will increase the standard for light trucks by 1.5 miles per gallon by 2007.

- The stagnating efficiency largely reflects changes in market shares for different types of vehicles. Light trucks have grown from 20% to 50% of new vehicle sales during the past 20 years.
- SUVs alone now account for more than one fourth of vehicle sales.
- Average vehicle weight has increased by 750 pounds.



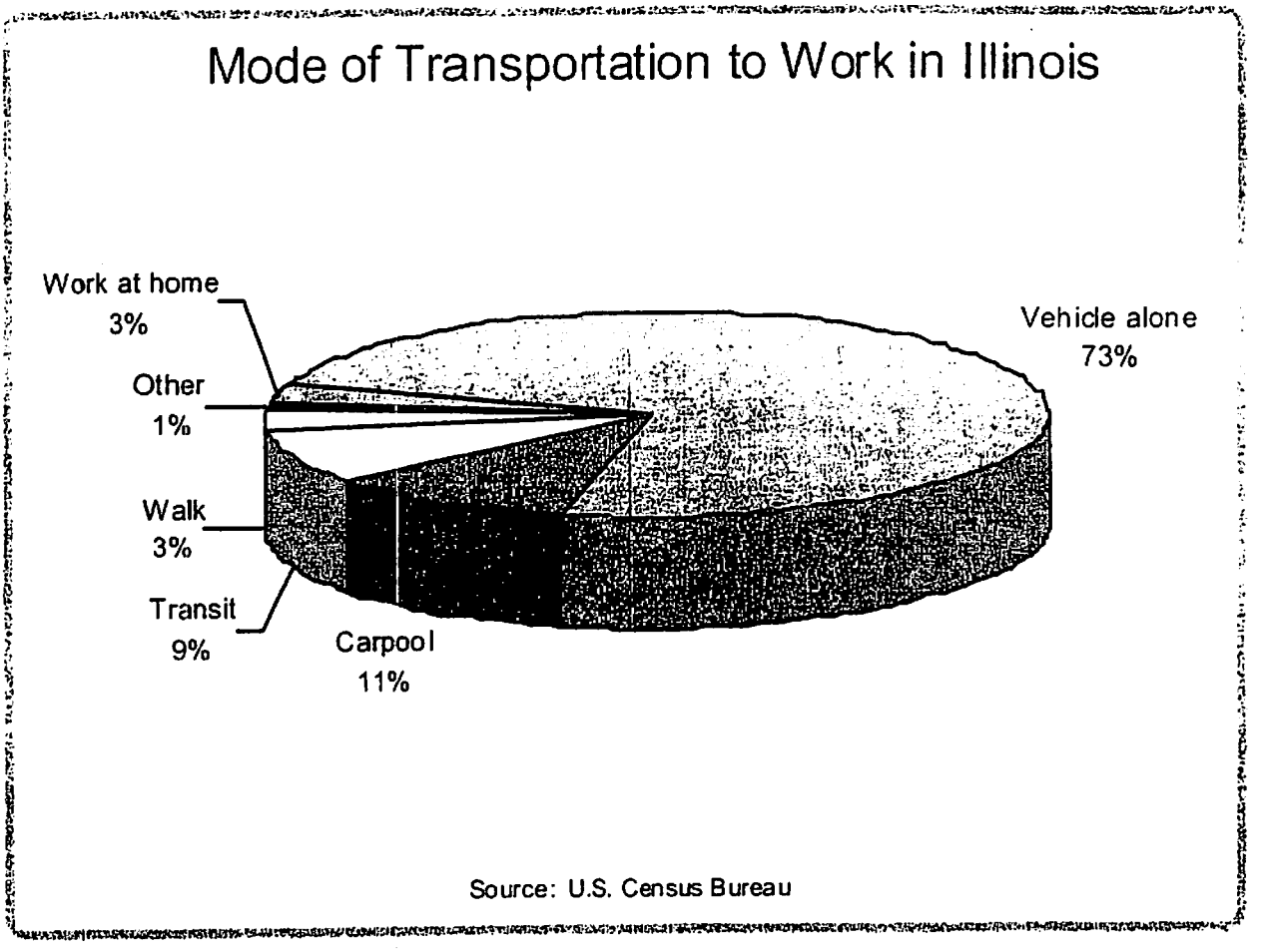
10

Vehicle travel has grown steadily over time.



- Vehicle miles of travel on Illinois roads have grown from 27 billion miles in 1950 to 57 billion miles in 1975 to 106 billion miles in 2003, roughly doubling every 25 years.

Strong dependence on personal vehicles makes it difficult to reduce fuel consumption.

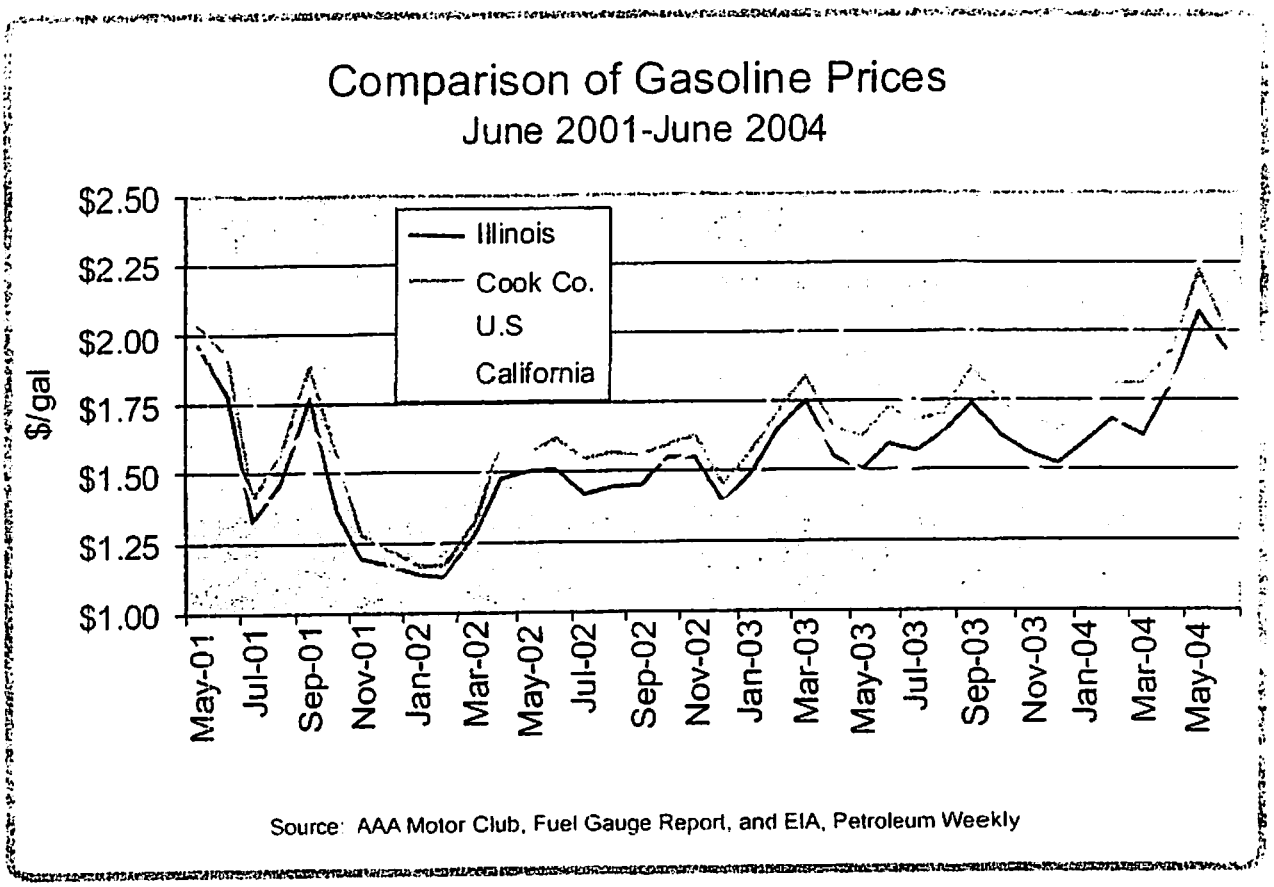


- Nearly three-fourths of Illinoisans drive to work alone in their vehicle.
- Only in Cook County does a large share of workers (17%) commute using public transportation.

12

Gasoline Prices

Illinois prices generally follow national trends.



- Prices in Illinois generally follow national trends, although prices average about $0.10 or so higher in Chicago.
- Illinois gasoline prices reached a peak of more than $2.00 per gallon during May of 2004.
- Only Californians experienced higher price increases this spring.

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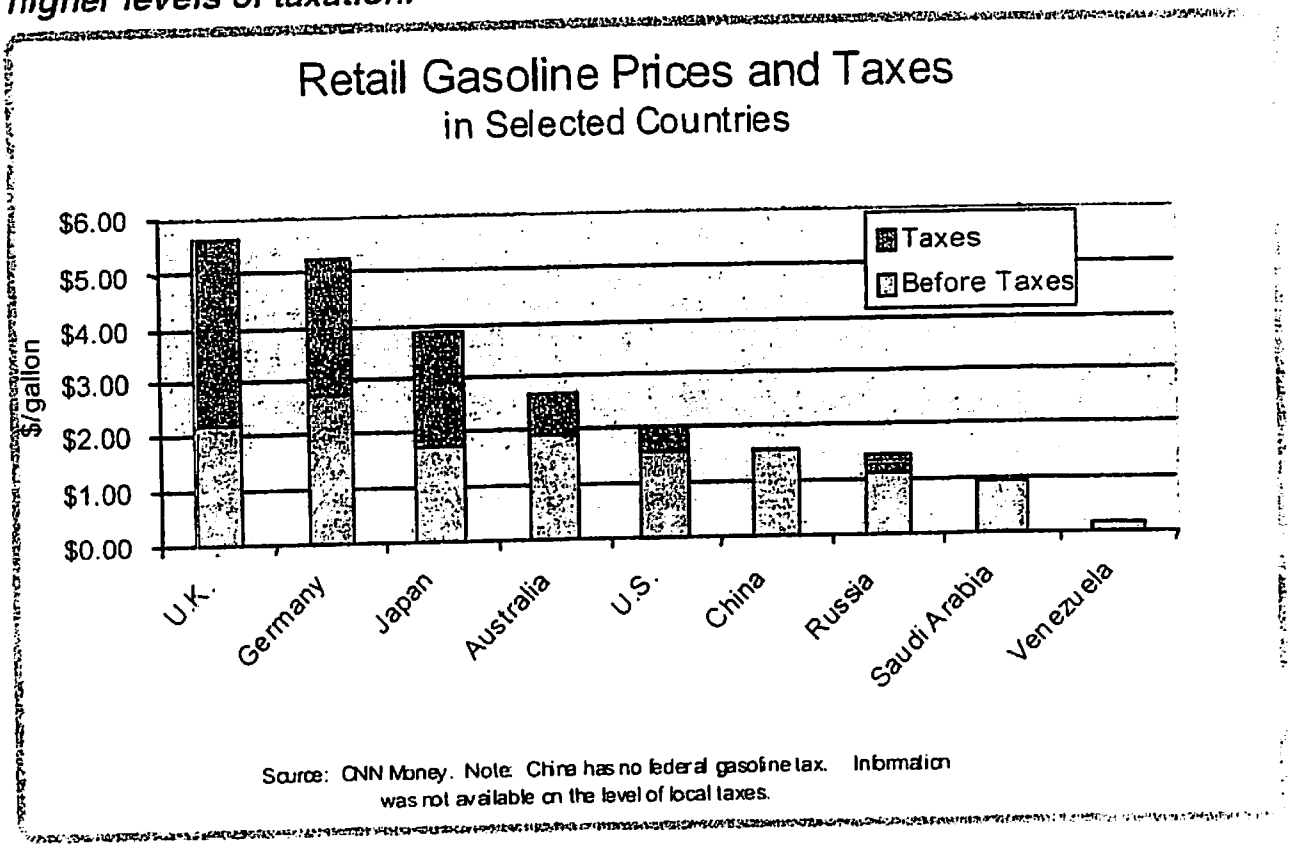
- All Illinois consumers pay the same state and federal motor fuels taxes, while sales taxes and other local taxes vary around the state.
- Higher sales taxes and a local gasoline excise tax contribute to higher taxes in Chicago and many suburbs.

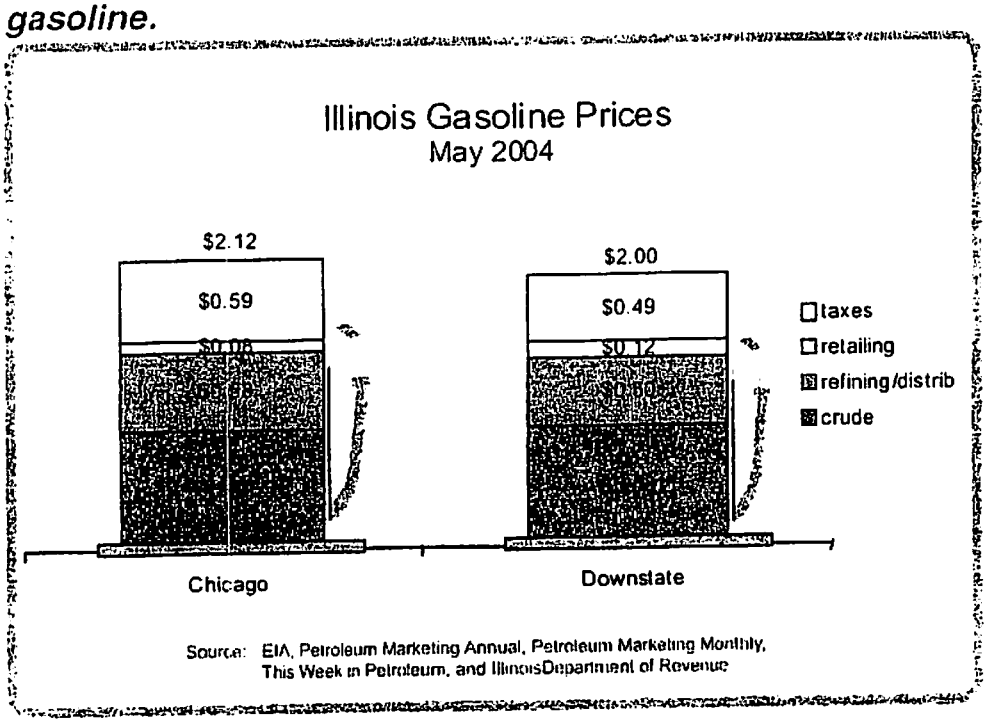
Gasoline prices are much higher in many other countries, due to much higher levels of taxation.



- Gasoline prices across much of Europe reached well over $5.00 per gallon this spring. Consumers paid $5.60 a gallon in the U.K., including $3.40 in taxes.
- Japan, Australia, and all European nations charge much higher taxes than the U.S.
- On the other hand, some oil producing countries do not tax local consumers and keep retail prices very low. In Venezuela, gasoline costs a mere $0.14 per gallon.

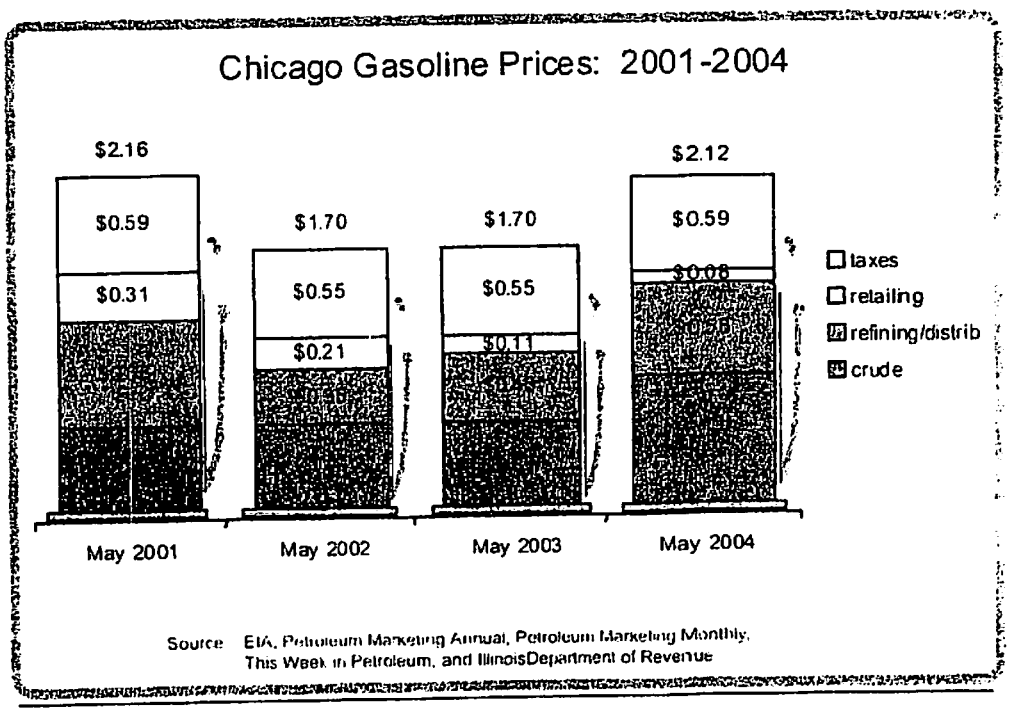
14

Crude oil prices are the largest component of the price of gasoline.



- The price of gasoline is made up of four main components – the crude oil price, refining and distribution costs, retail markup and taxes.
- Generally, the cost of crude oil is the largest component of the price of gasoline, followed by refining, marketing and distribution costs, and gasoline taxes.
- The retail mark up is the smallest component.

- The most recent price increase in Illinois was driven largely by higher crude oil prices.
- The 2001 price spike was related to regional supply difficulties, reflected in higher refining and distribution costs.
- Retail margins have actually grown smaller during the most recent price increase.



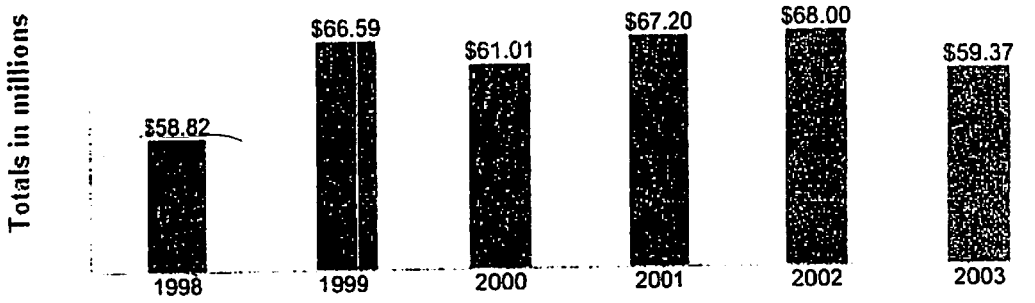
15

These figures represent the amount oil and natural gas companies and interest groups spent on lobbying activities annually from 1998 through 2003, the most recent filings available. Overall Lobbying Expenditures: $381,228,935

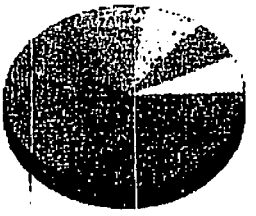
Top Companies

Companies	Amount
ExxonMobil Corp	$55,897,742
ChevronTexaco Corp	$32,465,770
Marathon Oil Corp	$29,154,000
BP plc	$28,417,646
Royal Dutch Petroleum Co	$26,770,768
American Petroleum Institute	$20,120,630
Entergy Corp	$15,757,504
Enron Corp	$15,615,000
Occidental Petroleum Corp	$12,647,436
Unocal Corp	$10,810,000

Lobbying by Year



Lobbying by Industry



Industry	Amount	%
Refining	$124,382,195	35.93%
Oil and Natural Gas Extraction	$100,953,301	29.17%
Energy Generation and Distribution	$49,028,574	14.16%
Oil and Gas Support Services	$30,834,000	8.91%
Other	$23,225,000	6.71%
Pipelines	$15,642,809	4.52%
Equipment	$1,689,000	0.49%
Mining and Extraction	$320,000	0.09%
Transportation	$60,000	0.02%

Info compiled from http://www.publicintegrity.org/oil/overview.aspx?act=lob