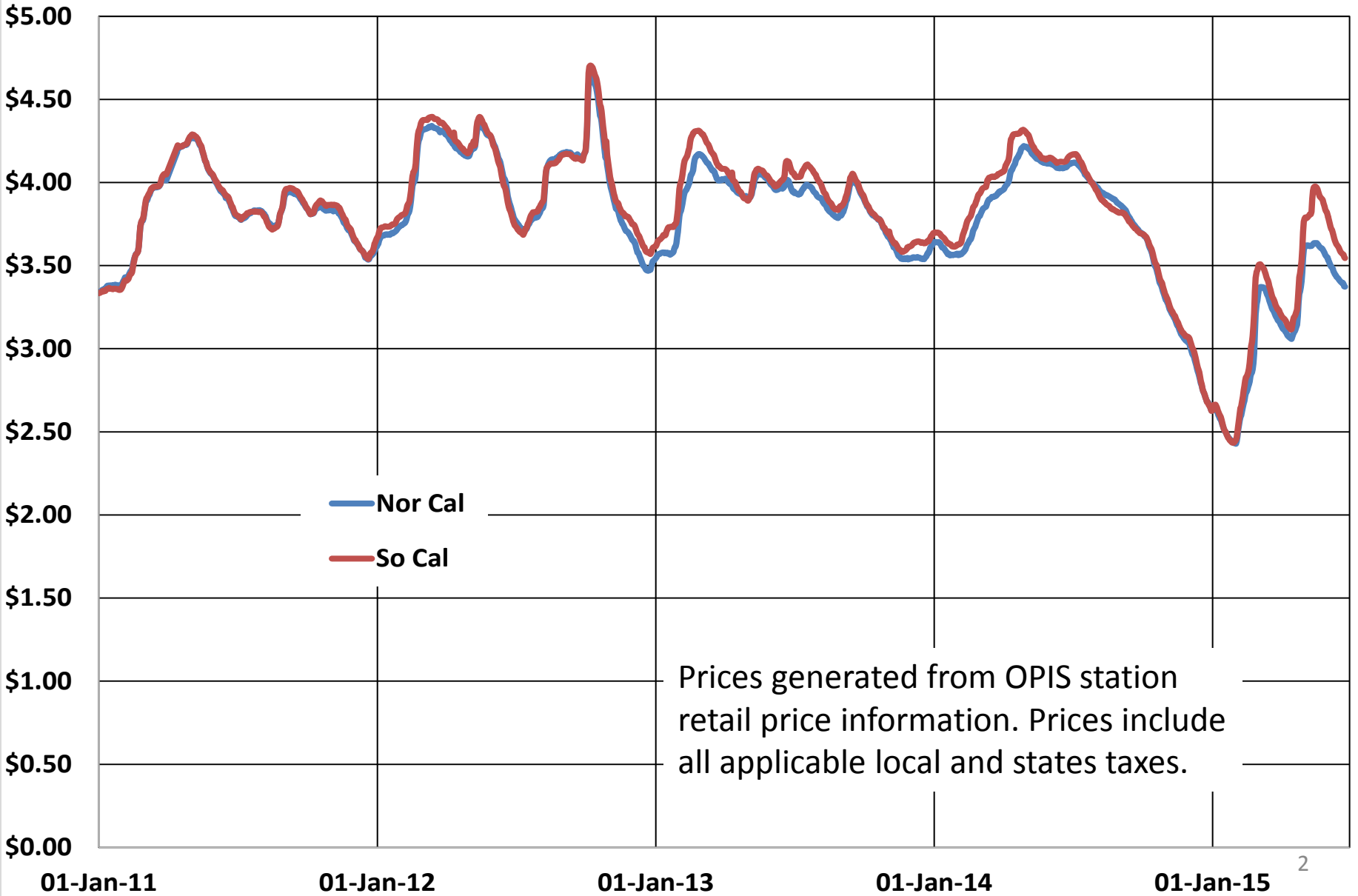


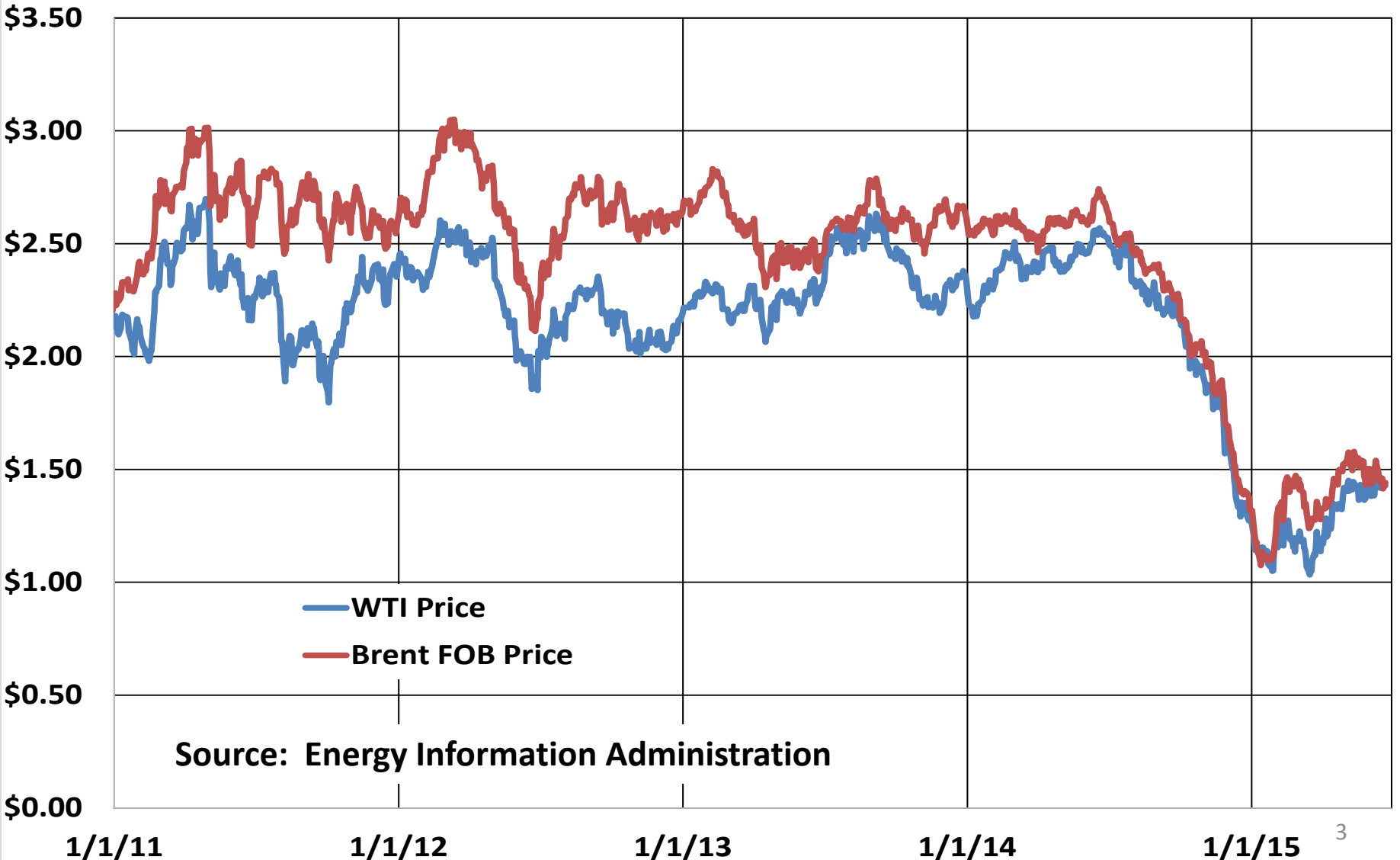
Data on California Gasoline Price Margins

Retail Gasoline Prices in California



Crude Oil Prices Have Dropped Between \$1.00 and \$1.50 per Gallon

Crude Oil Prices in the United States: Dollars Per Gallon

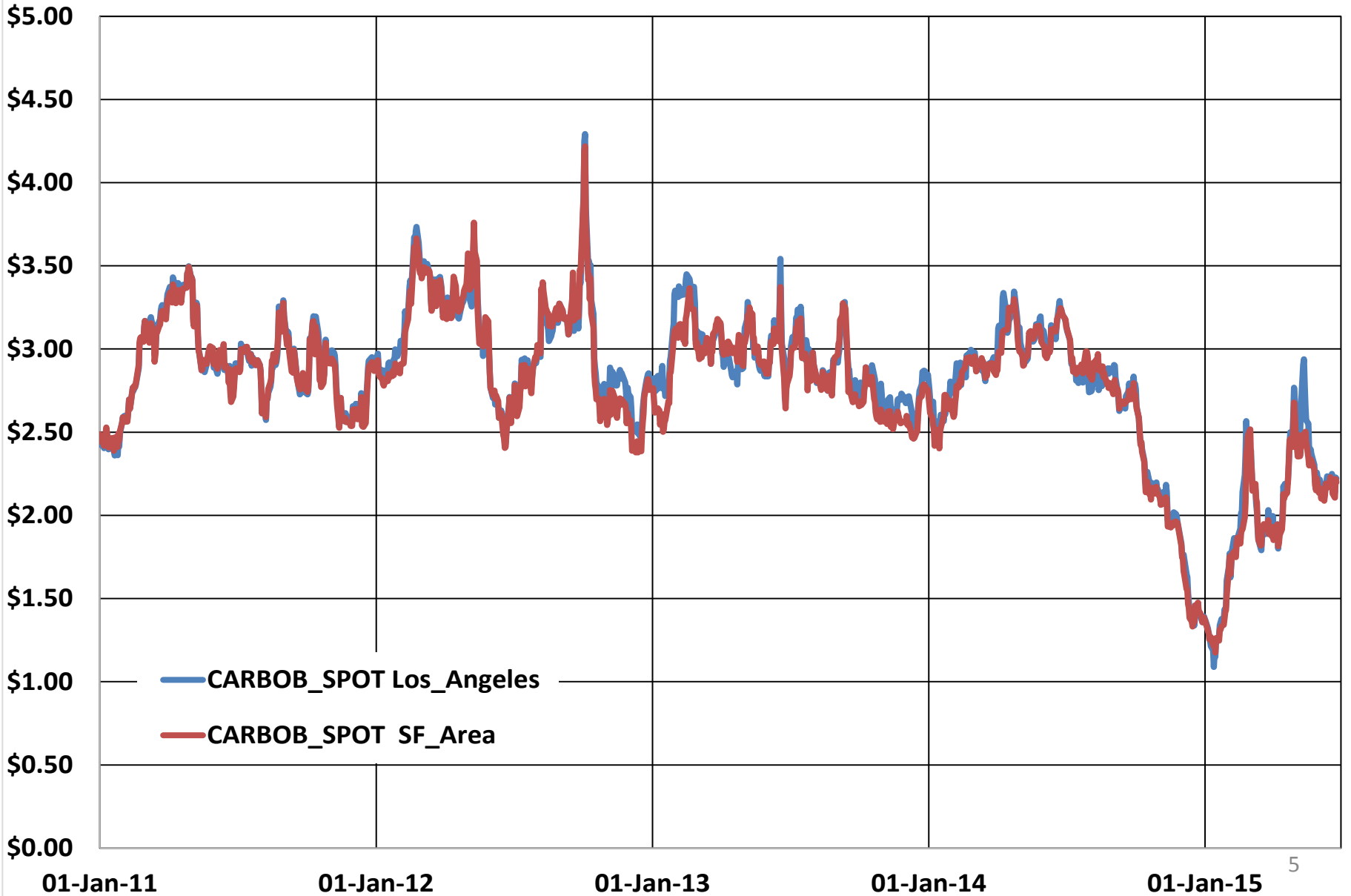


The Issue

- **Why haven't California Retail Prices dropped between \$1.00 and \$1.50 per gallon, consistent with the drop in the price of crude oil?**
- **What are the price differentials in the supply chain?**
- **Why are these differentials what they are?**
 - **This question has not been answered by the informal working group.**

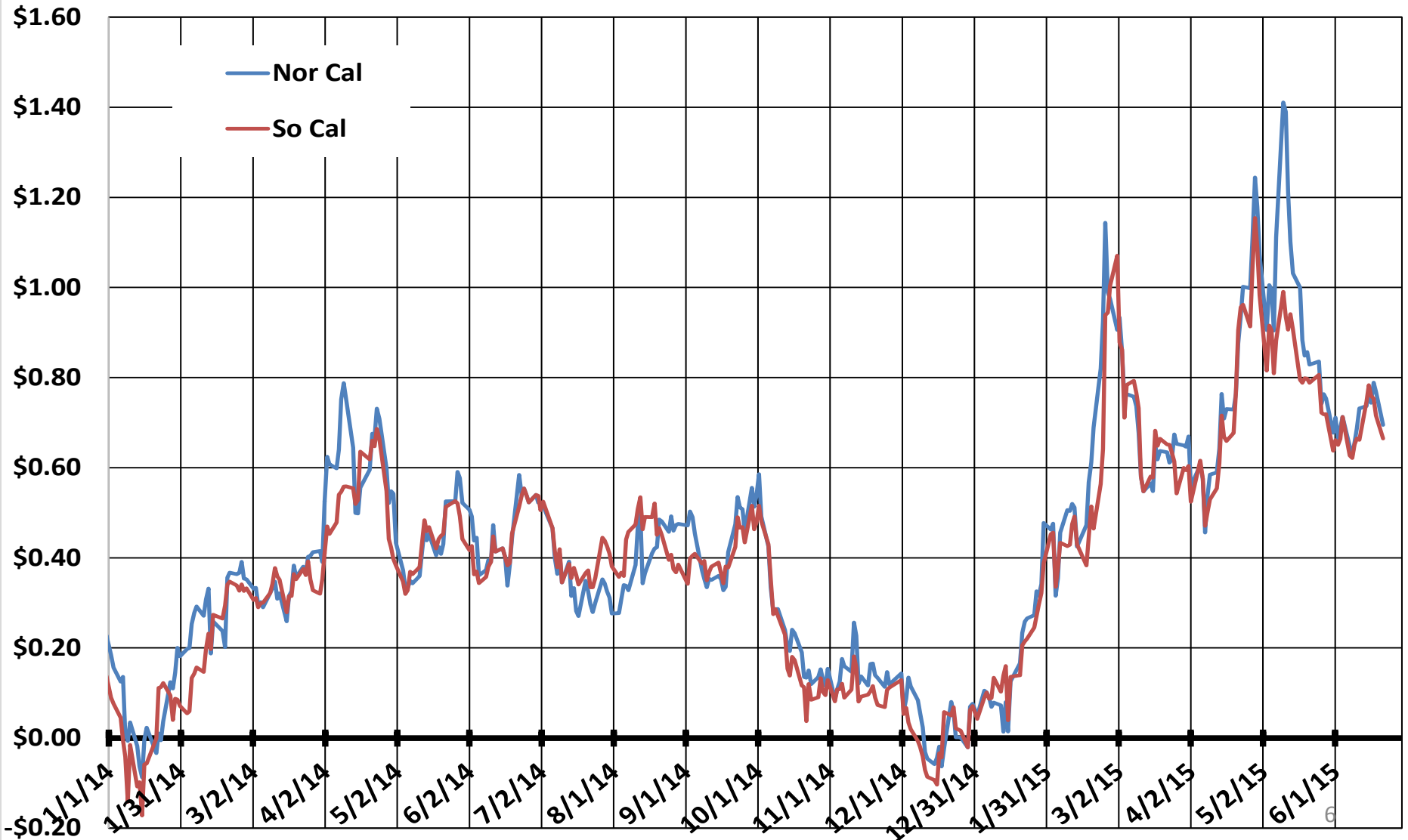
Spot CARBOB Prices Recently Increased

Spot CARBOB Prices in California



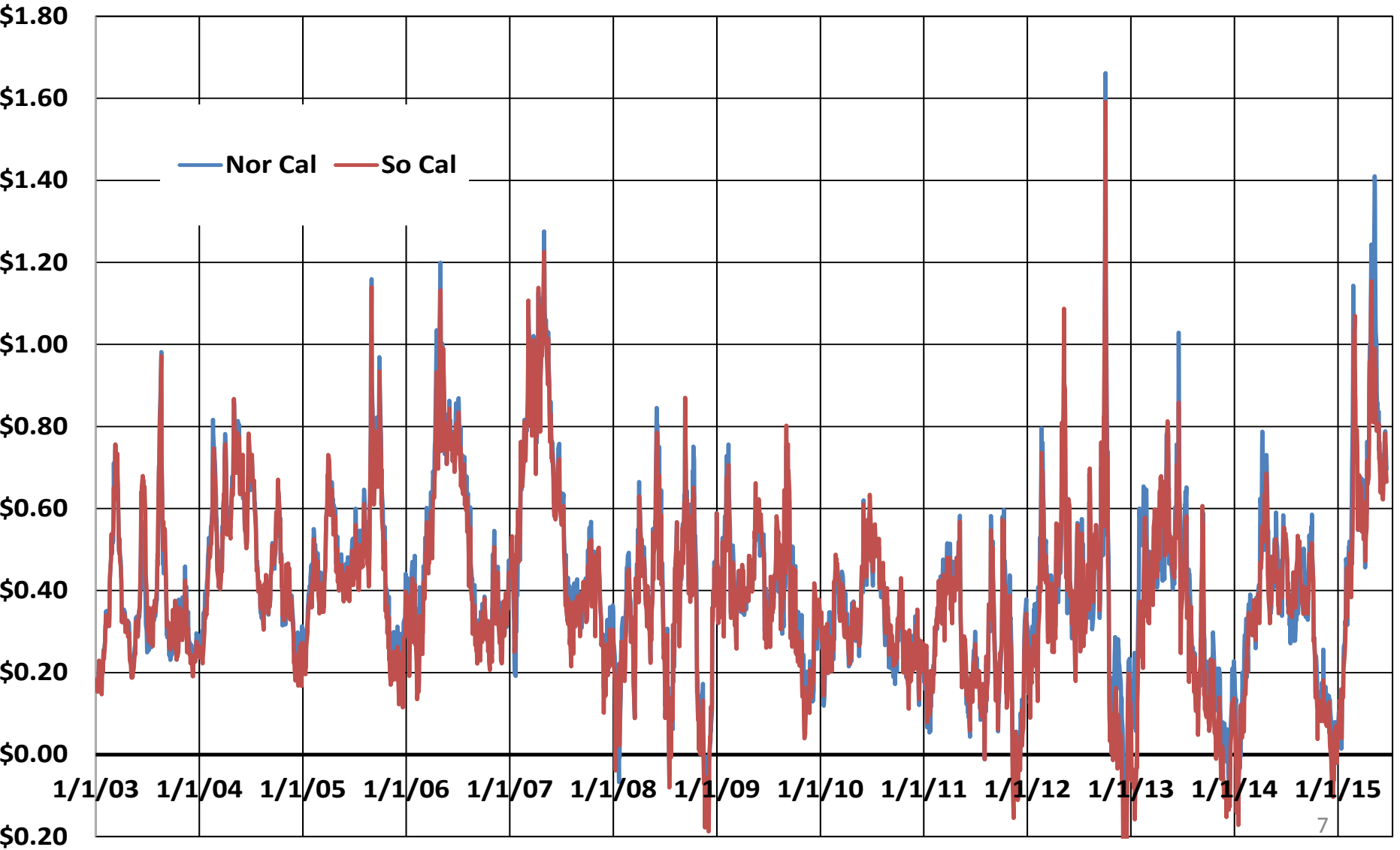
Differential Between CARBOB Price and Crude Oil Price \$.50 to \$1.00/gal Higher Than Last Two Years

Differential: CARBOB Prices - Brent CrudePrice



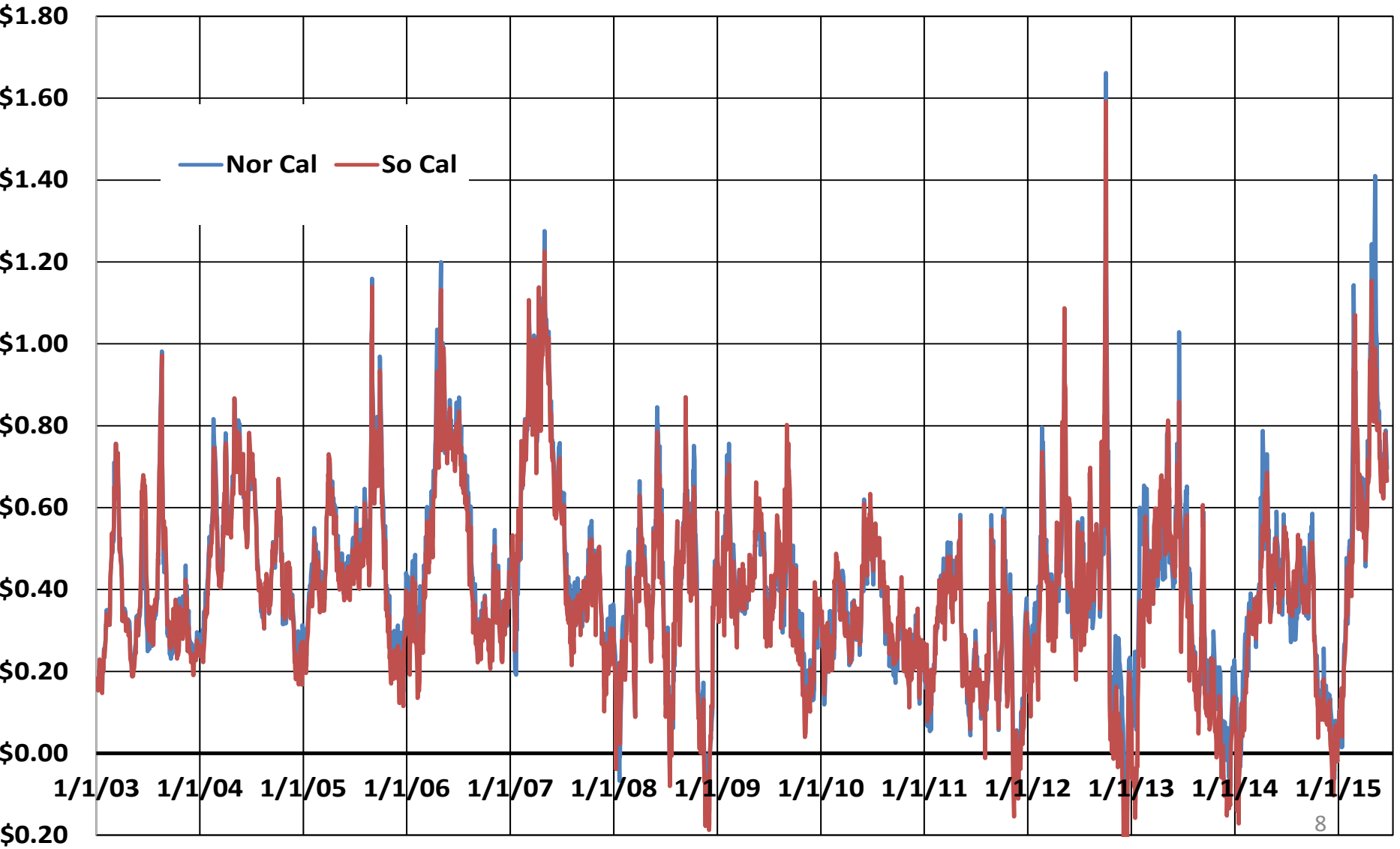
Differential Between CARBOB Price and Crude Oil Price Unusually High (Brent Crude)

Differential: CARBOB Prices - Brent Crude Price



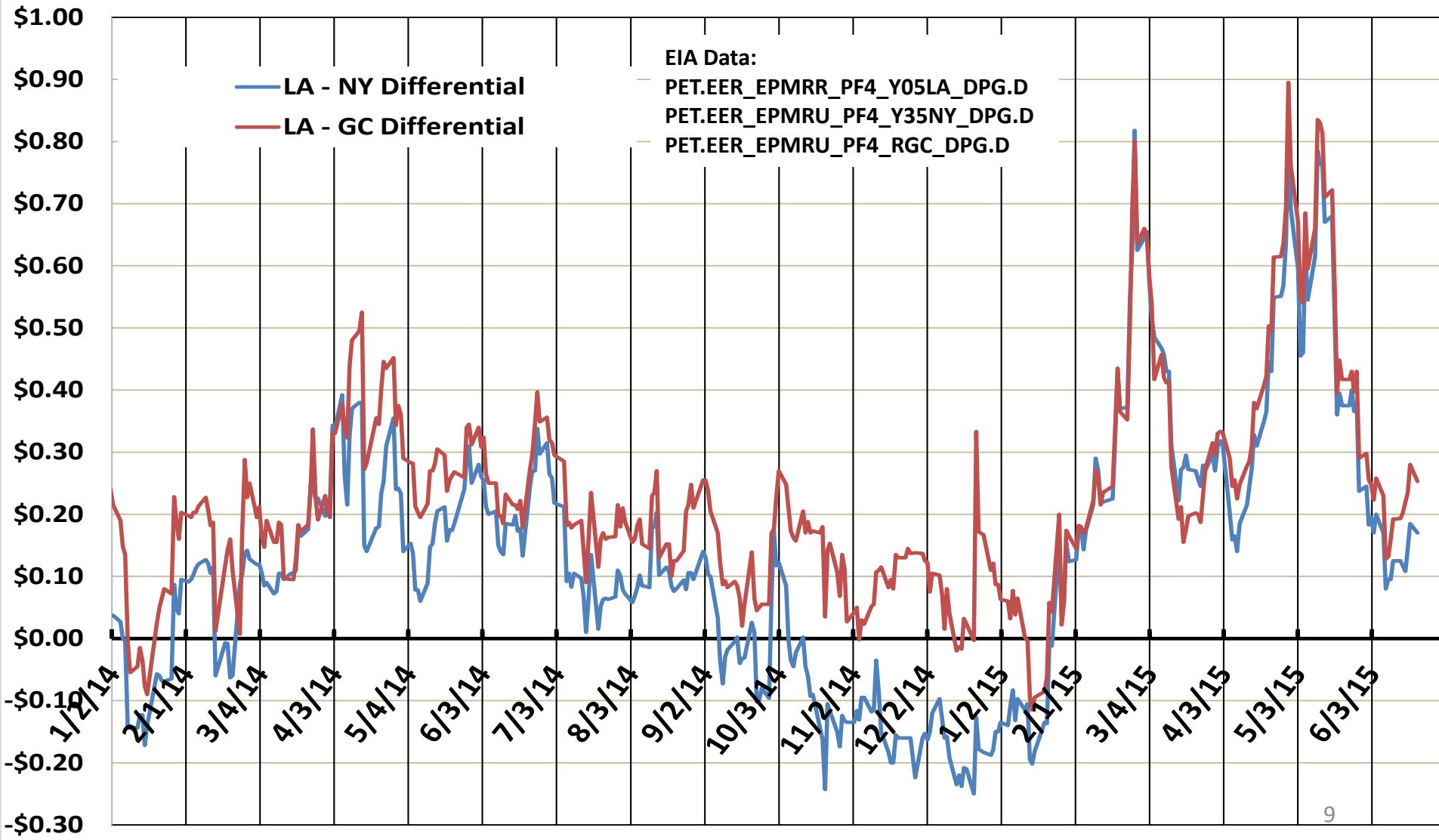
Differential Between CARBOB Price and Crude Oil Price Unusually High (WTI Crude)

Differential: CARBOB Prices - Brent Crude Price

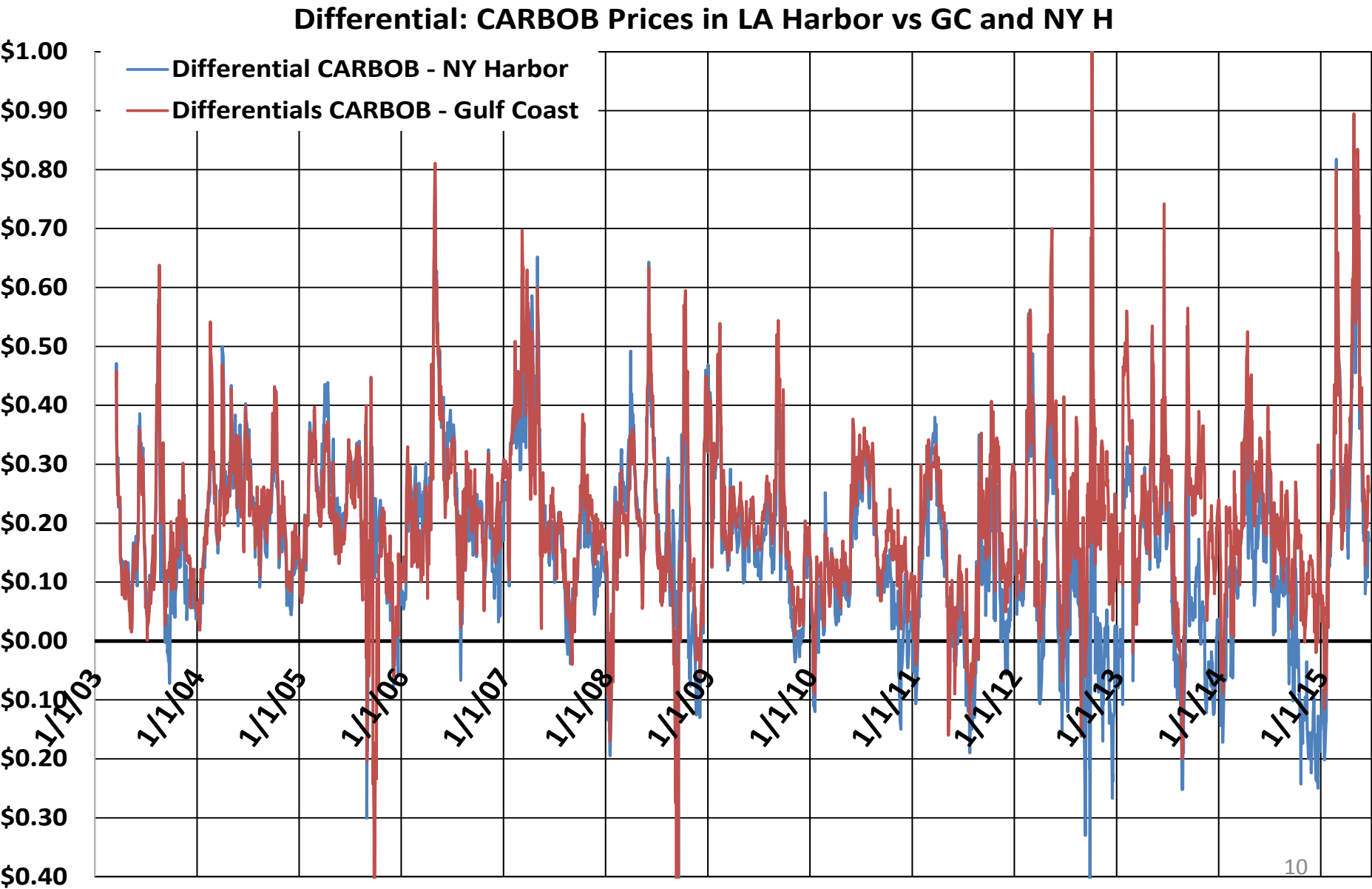


LA Harbor CARBOB Spot Prices Have Exceeded NY Harbor or Gulf Coast Spot Gasoline Prices by \$0.30/gal to \$0.70/gal More than Typical, for Almost Two Months

Differential: CARBOB Prices in LA Harbor vs GC and NY H

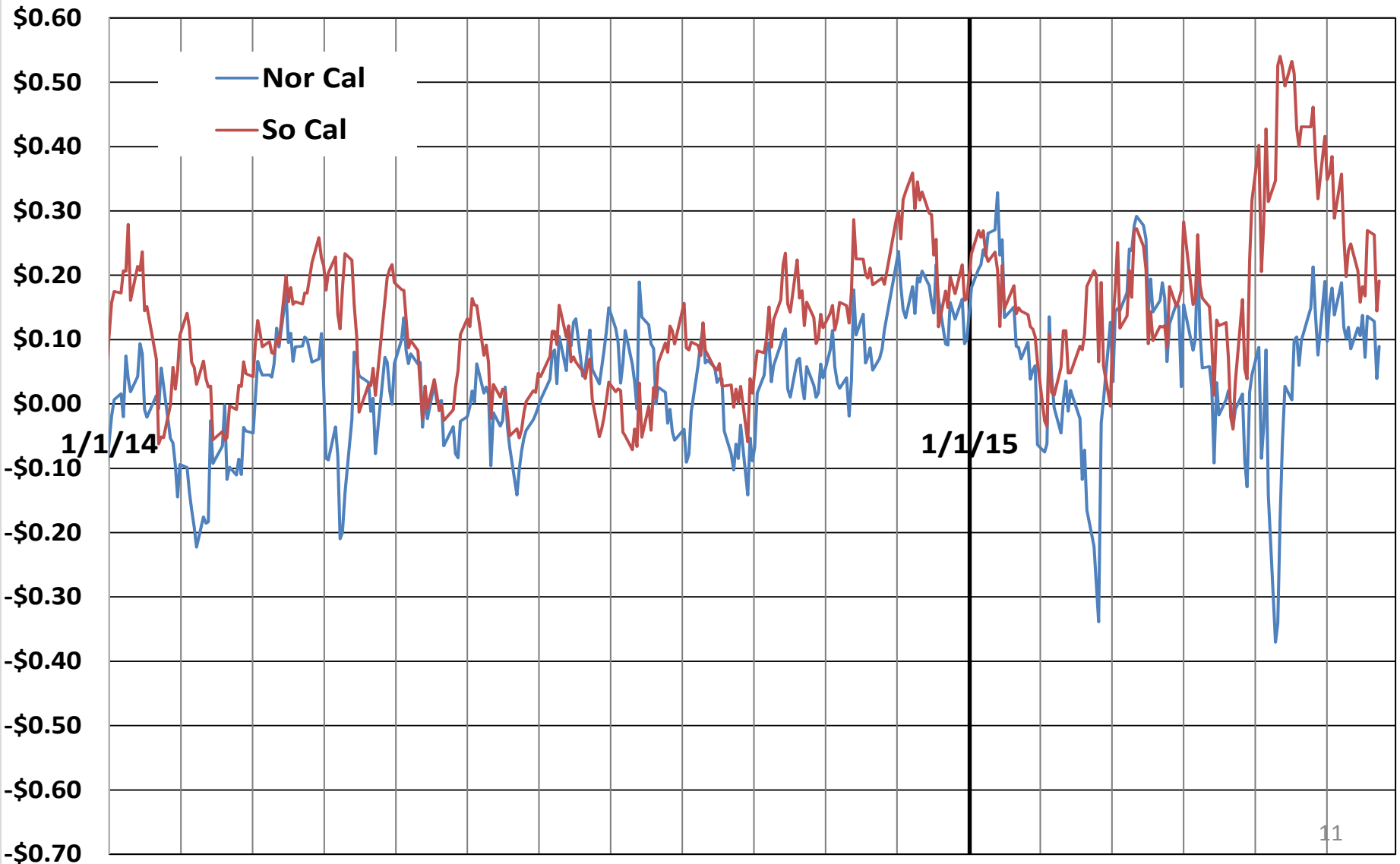


Longer Term Perspective of Differential Between CARBOB Spot Prices and NY and GC Spot Prices

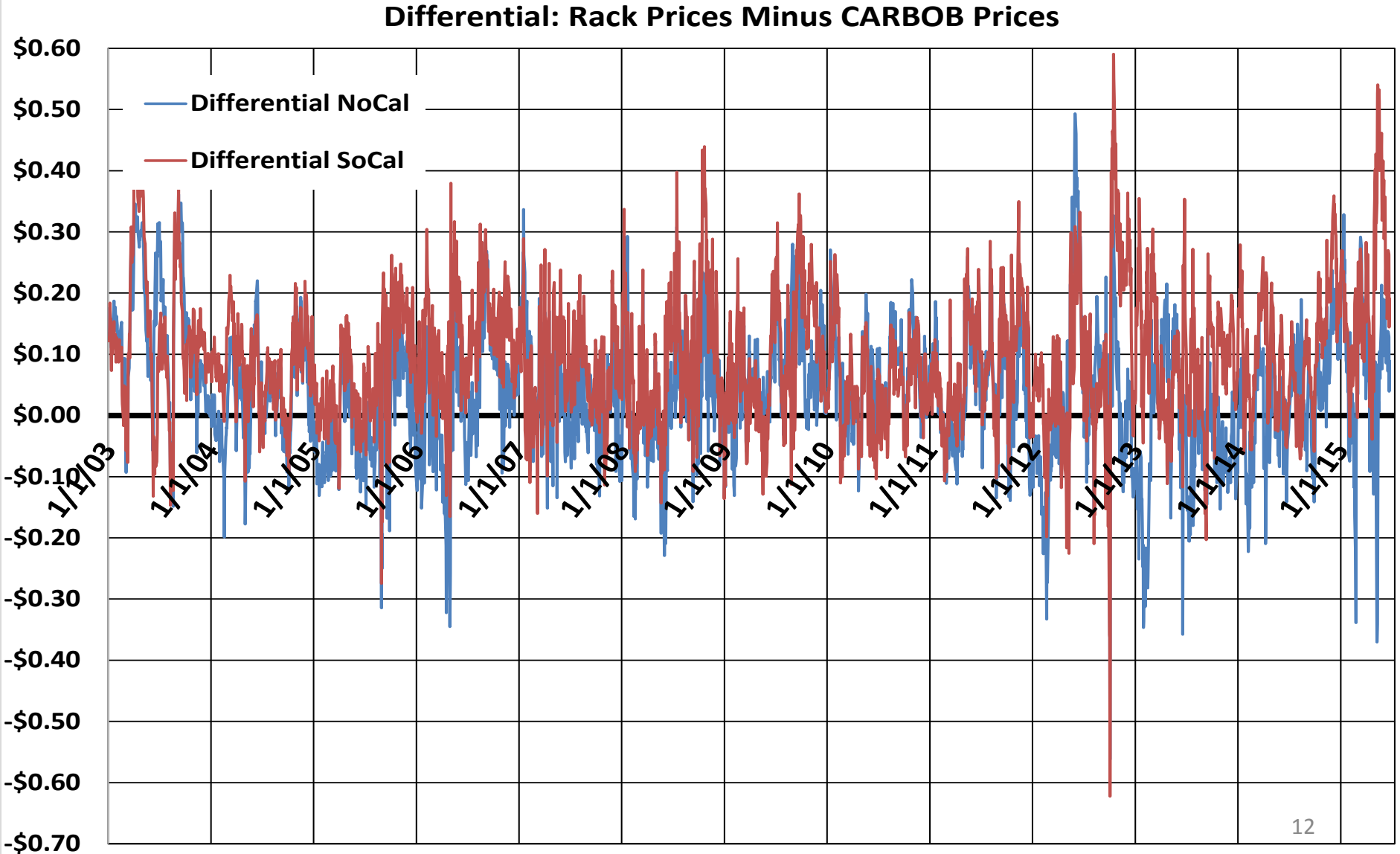


CARBOB to Rack Differential Increased about \$0.20 /gal in southern California, but not northern

Differential: Rack Prices Minus CARBOB Prices

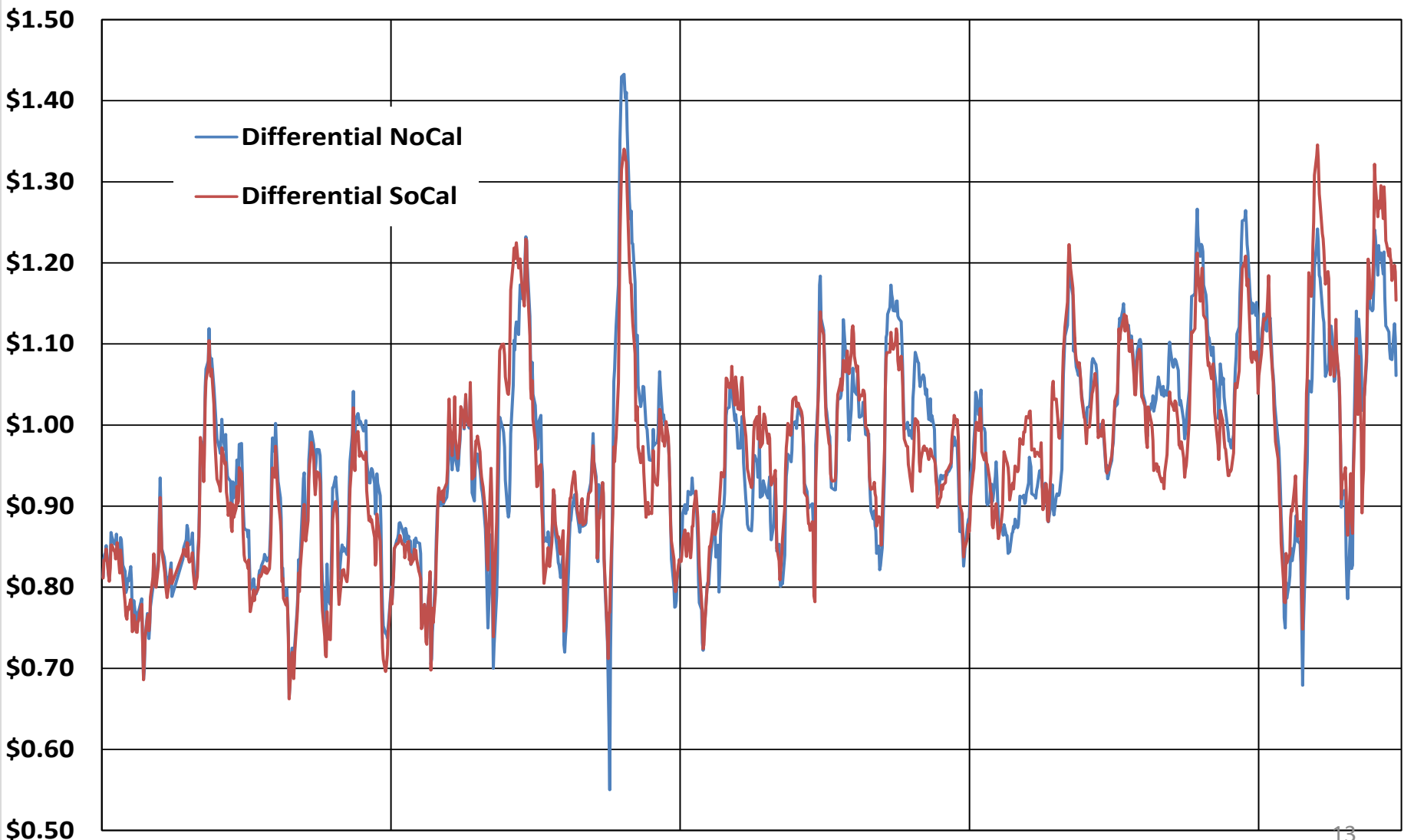


CARBOB to Rack Differential Unusually High in southern California, but not northern



Differential Between Rack and Retail Prices Volatile, but Increasing. Now \$0.20 to \$0.30/gal Higher

Differential: Retail minus Rack Prices

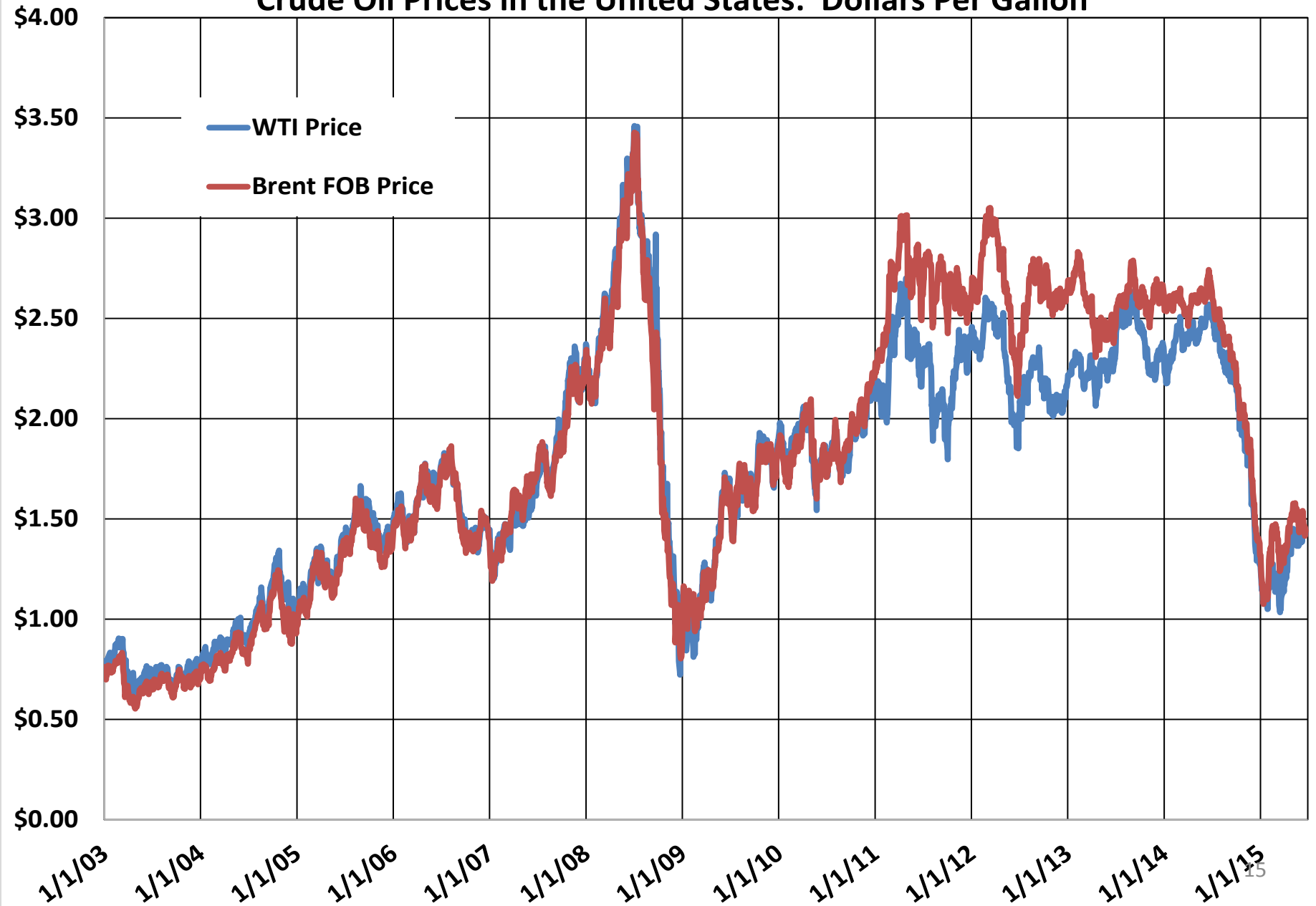


Longer Term Perspective

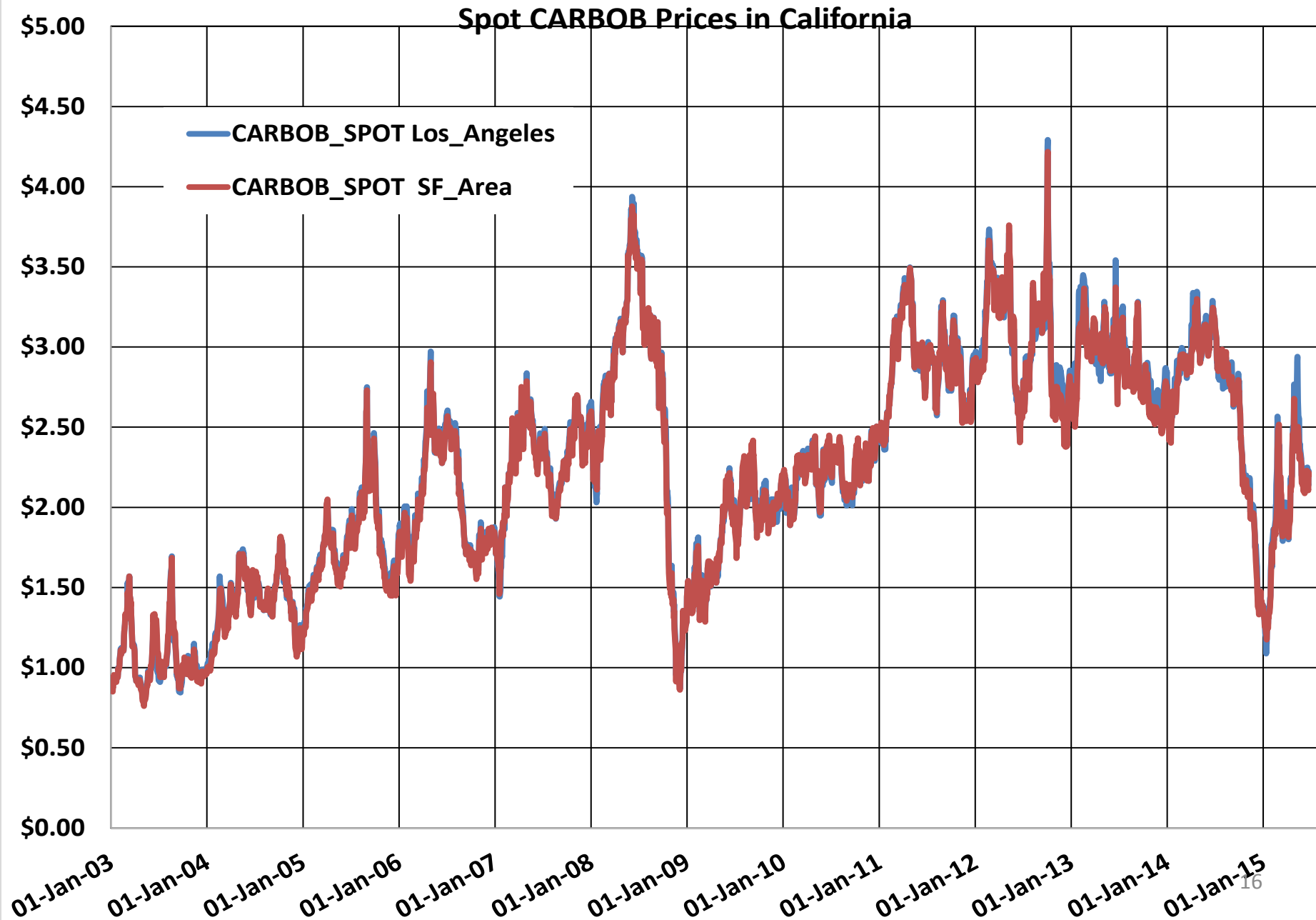
- **Data available to the PMAC back to 1/1/2003, except for retail price data**
- **Following graphs show previous graphs, but for the entire time period back to 2003**

Longer Perspective on Crude Oil Prices

Crude Oil Prices in the United States: Dollars Per Gallon



Longer Perspective on Spot CARBOB Prices



In Summary

- **Price differentials increased throughout much of the supply chain, but the largest increase was in the difference between the crude oil price and the CARBOB price.**
- **Retail differentials, although volatile, have generally increased over time in both northern and southern California.**
- **Differentials between CARBOB and rack prices increased in southern California but not in northern California.**
- **The informal working group has not determined the reasons for these differentials.**