



September 15, 2005

Mr. Steve Larson  
Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

**RE: 2004 California Gas Report Errata**

Dear Mr. Larson:

In compliance with D.95-01-039, Pacific Gas and Electric (PG&E), Southern California Gas Company (SoCalGas), and San Diego Gas and Electric Company (SDG&E), on behalf of the California gas utilities, filed the *2004 California Gas Report* (CGR) with your office on July 1, 2004.

After further review of the 2004 CGR, a number of unintended errors were discovered. Attached are the following errata pages to replace those originally filed with the 2004 CGR. The changes have been denoted in bold.

<b>Page 5 -</b>	<b>Executive Summary</b>
<b>Page 9 -</b>	<b>Statewide Total Supply Sources and Requirements</b>
<b>Page 10 -</b>	<b>Statewide Total Supply Sources Taken</b>
<b>Page 11 -</b>	<b>Statewide Annual Gas Requirements</b>
<b>Page 14 -</b>	<b>Recorded 2000 Sources and Disposition Summary</b>
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<b>Page 17 -</b>	<b>Recorded 2003 Sources and Disposition Summary</b>

Sincerely,

Gregory Healy  
Chairperson, 2004 CGR Working Committee

CC: 2004 California Gas Working Committee  
Wendy Maria Phelps, California Public Utilities Commission, Energy Division  
Service List R.04-01-025  
California Gas Report Recipients

# **EXECUTIVE SUMMARY**

### **Demand Outlook**

California natural gas demand, including volumes bypassing utility systems, is expected to grow at an annual average rate of **0.8** percent from 2004 to 2025. Forecast growth is a combination of strong growth in the electric generation (EG) market segment tempered by slower growth in the residential and commercial markets and virtually no growth in the industrial sector.

EG gas demand is expected to increase at an annual average rate of **1.5** percent due to the assumptions that gas-fired generation continues to be the technology of choice to meet the ever-growing demand for electric power. Residential and commercial sector consumption is expected to increase by an average of **0.8** percent per year over the forecast period. This rate of growth is roughly two-thirds the rate of growth in underlying drivers such as household and employment growth and reflects increasing penetration of energy efficient homes and appliances. Demand in the industrial sector is estimated to decline by **0.2** percent annually as California continues its transition from a manufacturing based to a service based economy.

### **Focus On Efficiency and Environmental Quality**

California utilities continue to focus on Customer Energy Efficiency (CEE) and other Demand-Side Management (DSM) programs in their utility electric and gas resource plans. The recent "energy crisis" in California was not limited to electricity. Gas resources were also severely constrained with gas prices at the Southern California border reaching levels nearly ten times greater than experienced in recent history. California utilities are committed to helping their customers make the best possible choices regarding use of this increasingly valuable resource.

### **Supply Outlook/ Pipeline Capacity**

California's existing gas supply portfolio is regionally diverse and includes supplies from California sources (onshore and offshore), Southwestern U.S. supply sources (the Permian, Anadarko, and San Juan Basins), the Rocky Mountains, and Canada. The map provided on page 7 shows the locations of these supply sources and the natural gas pipelines serving California.

**STATEWIDE TOTAL SUPPLY SOURCES AND REQUIREMENTS  
MMCF/DAY**

<b>Total California's Supply Sources</b>	<b>2004</b>	<b>2005</b>	<b>2008</b>	<b>2016</b>	<b>2020</b>	<b>2025</b>
California Sources	463	463	463	463	463	463
Out-of-State	4,194	4,050	4,344	4,494	4,723	5,057
Net Withdrawal (Injection)	-	-	-	-	-	-
Utility Total	4,657	4,513	4,807	4,957	5,186	5,520
Pipeline Bypass (1)	1,228	1,278	1,374	1,432	1,422	1,405
Total	5,885	5,791	6,181	6,389	6,608	6,925
<b>Total California's Requirements</b>	<b>2004</b>	<b>2005</b>	<b>2008</b>	<b>2016</b>	<b>2020</b>	<b>2025</b>
Residential	1,249	1,265	1,294	1,399	1,448	1,510
Commercial	490	493	504	531	544	563
Natural Gas Vehicles	22	25	30	37	40	46
Industrial	770	750	749	744	740	738
Electric Generation (2)	1,268	1,205	1,338	1,343	1,497	1,717
Enhanced Oil Recovery-Steaming	33	33	28	19	19	19
Wholesale/Resale+Exchange	380	335	450	465	473	495
Company Use and Unaccounted for	85	83	88	91	96	102
Utility Total	4,297	4,189	4,481	4,629	4,857	5,190
Pipeline Bypass (1)	1,228	1,278	1,374	1,432	1,422	1,405
Total	5,525	5,467	5,855	6,061	6,279	6,595

**NOTES:**

(1) Bypass is defined in the Glossary. See footnote (5) of PG&E forecast tables and footnote (1) of SoCalGas forecast tables.

(2) Includes utility and non-utility generation.



## EXECUTIVE SUMMARY

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### STATEWIDE TOTAL SUPPLY SOURCES - TAKEN MMCF/DAY

<b>Northern California</b>	<b>2004</b>	<b>2005</b>	<b>2008</b>	<b>2016</b>	<b>2020</b>	<b>2025</b>
California Sources (1)	150	150	150	150	150	150
Out-of-State	2,148	2,138	2,303	2,439	2,587	2,773
Net Withdrawal/(Injection)	-	-	-	-	-	-
Utility Total	2,298	2,288	2,453	2,589	2,737	2,923
Pipeline Bypass (2)	440	440	440	440	440	440
Northern California Total	2,738	2,728	2,893	3,029	3,177	3,363

  

<b>Southern California</b>	<b>2004</b>	<b>2005</b>	<b>2008</b>	<b>2016</b>	<b>2020</b>	<b>2025</b>
California Sources (3)	313	313	313	313	313	313
Out-of-State	2,046	1,912	2,041	2,055	2,136	2,284
Net Withdrawal/(Injection)	-	-	-	-	-	-
Utility Total	2,359	2,225	2,354	2,368	2,449	2,597
Pipeline Bypass (2)	788	838	934	992	982	965
Southern California Total	3,147	3,063	3,288	3,360	3,431	3,562

#### NOTES:

(1) Includes utility purchases and exchange/transport gas.

(2) Bypass is defined in the Glossary. **See footnote (5) of PG&E forecast tables and footnote (1) of SoCalGas forecast tables.**

(3) Includes utility purchases, exchange/transport gas and City of Long Beach "on source" gas.

## EXECUTIVE SUMMARY

### STATEWIDE ANNUAL GAS REQUIREMENTS (1) MMCF/DAY

<b>Northern California</b>	<b>2004</b>	<b>2005</b>	<b>2008</b>	<b>2016</b>	<b>2020</b>	<b>2025</b>
Residential	562	572	592	639	658	680
Commercial-Core	233	236	243	257	263	273
Natural Gas Vehicles-Core	3	4	5	6	6	7
Natural Gas Vehicles-Noncore	1	1	1	1	1	1
Industrial-Noncore	410	409	410	397	390	381
Wholesale/Resale	10	10	11	11	11	11
SMUD Electric Generation	59	82	128	128	128	128
Electric Generation (2)	632	623	702	784	911	1,070
<b>Exchange (CA and Southwest Gas)</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>10</b>
Company Use and Unaccounted for	41	41	44	47	50	53
<b>Utility Total</b>	<b>1,952</b>	<b>1,979</b>	<b>2,144</b>	<b>2,280</b>	<b>2,428</b>	<b>2,614</b>
Pipeline Bypass (3)	440	440	440	440	440	440
<b>Northern California Total</b>	<b>2,392</b>	<b>2,419</b>	<b>2,584</b>	<b>2,720</b>	<b>2,868</b>	<b>3,054</b>
<b>Southern California</b>	<b>2004</b>	<b>2005</b>	<b>2008</b>	<b>2016</b>	<b>2020</b>	<b>2025</b>
Residential	687	693	702	760	790	830
Commercial-Core	200	202	206	217	223	231
Commercial-Noncore	57	55	55	57	58	59
Natural Gas Vehicles-Core	18	20	24	30	33	38
Industrial-Core	58	59	59	62	63	67
Industrial-Noncore	302	282	280	285	287	290
Wholesale/Resale	369	324	431	444	452	474
Electric Generation	577	500	508	431	458	519
Enhanced Oil Recovery - Steaming	33	33	28	19	19	19
Company Use and Unaccounted for	44	42	44	44	46	49
<b>Utility Total</b>	<b>2,345</b>	<b>2,210</b>	<b>2,337</b>	<b>2,349</b>	<b>2,429</b>	<b>2,576</b>
Pipeline Bypass (3)	788	838	934	992	982	965
<b>Southern California Total</b>	<b>3,133</b>	<b>3,048</b>	<b>3,271</b>	<b>3,341</b>	<b>3,411</b>	<b>3,541</b>

#### NOTES:

(1) Includes transportation gas.

(2) Electric Generation includes Non-EOR cogeneration, PG&E Utility Electric Generation, and other non-utility generation.

(3) Bypass is defined in the Glossary. See footnote (5) of PG&E forecast tables and footnote (1) of SoCalGas forecast tables.

# EXECUTIVE SUMMARY

## 2004 California Gas Report Recorded 2000 Statewide Sources and Disposition Summary MMcf/Day

	California Sources	El Paso	Trans western	PG&E GT-NW	Kern River	Mojave	Other <sup>(1)</sup>	Total
<b><u>Southern California Gas Company</u></b>								
Core (2)	28	600	263	11	6	40	10	957
Noncore Commercial/Industrial	54	162	83	60	56	12	36	463
EG (3)	139	420	214	156	146	31	93	1,199
EOR	4	12	6	4	4	1	3	33
Wholesale/Resale/International (4)	52	257	85	47	33	12	(59)	446
<b>Total</b>	276	1,450	670	278	245	95	83	3,098
<b><u>Pacific Gas and Electric Company</u></b>								
Core	12	130	79	604	28	0	0	853
Noncore Industrial	151	264	110	939	24	0	0	1,488
<b>Total</b>	163	394	189	1,543	52	0	0	2,341
<b><u>Other Northern California</u></b>								
Core (5)	0	0	0	0	0	0	11	11
<b><u>Non-Utilities</u></b>								
Direct Sales/Bypass	561	0	0	0	323	243	0	1,126
<b>TOTAL SUPPLIER</b>	<b>1,000</b>	<b>1,844</b>	<b>859</b>	<b>1,821</b>	<b>620</b>	<b>338</b>	<b>94</b>	<b>6,577</b>
<b>NOTES:</b>								
(1) Includes storage withdrawals.								
(2) Includes NGV volumes.								
(3) EG includes UEG, COGEN, and EOR Cogen.								
(4) Includes DGN volumes and SDG&E data as shown.								
<b><u>San Diego Gas &amp; Electric</u></b>								
Core	9	63	25	36	0	0	5	139
Noncore	1	171	70	6	0	0	1	250
<b>Total</b>	10	234	95	42	0	0	6	388

(5) Includes Southwest Gas Corp., Avista and Tuscarora data.

**2004 California Gas Report**  
**Recorded 2001 Statewide Sources and Disposition Summary**  
**MMcf/Day**

	California Sources	El Paso	Trans western	PG&E GT-NW	Kern River	Mojave	Other <sup>(1)</sup>	Total
<b>Southern California Gas Company</b>								
Core (2)	38	556	274	58	30	10	31	998
Noncore Commercial/Industrial	70	157	75	40	54	11	(9)	399
EG (3)	221	495	236	125	171	36	(27)	1,257
EOR	5	11	5	3	4	1	(1)	29
Wholesale/Resale/International (4)	80	275	103	51	31	14	(78)	475
<b>Total</b>	<b>415</b>	<b>1,495</b>	<b>694</b>	<b>276</b>	<b>290</b>	<b>72</b>	<b>(83)</b>	<b>3,158</b>
<b>Pacific Gas and Electric Company</b>								
Core	29	110	94	574	6	0	0	813
Noncore Commercial/Industrial/EG/Resale (3)	157	563	81	864	78	0	0	1,743
<b>Total</b>	<b>186</b>	<b>673</b>	<b>175</b>	<b>1,438</b>	<b>84</b>	<b>0</b>	<b>0</b>	<b>2,556</b>
<b>Other Northern California</b>								
Core (5)	0	0	0	0	0	0	35	35
<b>Non-Utilities</b>								
Direct Sales/Bypass	400	0	0	0	334	173	0	907
<b>TOTAL SUPPLIER</b>	<b>1,001</b>	<b>2,168</b>	<b>869</b>	<b>1,714</b>	<b>708</b>	<b>245</b>	<b>(48)</b>	<b>6,656</b>
<b>NOTES:</b>								
(1) Includes storage withdrawals.								
(2) Includes NGV volumes.								
(3) EG includes UEG, COGEN, and EOR Cogen.								
(4) Includes DGN volumes and SDG&E data as shown.								
<b>San Diego Gas &amp; Electric Company</b>								
Core	9	45	17	43	4	4	16	136
Noncore	1	205	77	3	0	0	1	288
<b>Total</b>	<b>9</b>	<b>250</b>	<b>94</b>	<b>46</b>	<b>4</b>	<b>4</b>	<b>17</b>	<b>424</b>
(5) Includes Southwest Gas Corp., Avista and Tuscarora data.								



# EXECUTIVE SUMMARY

## 2004 California Gas Report Recorded 2002 Statewide Sources and Disposition Summary MMcf/Day

	California Sources	El Paso	Trans western	PG&E GT-NW	Kern River	Mojave	Other (1)	Total
<b>Southern California Gas Company</b>								
Core (2)	73	588	251	49	29	6	(13)	984
Noncore Commercial/Industrial	78	83	75	54	107	13	24	433
EG (3)	161	166	151	108	214	27	42	869
EOR	6	7	7	5	10	1	3	39
Wholesale/Resale/International (4)	79	266	65	47	31	13	(76)	425
<b>Total</b>	398	1,109	550	264	390	60	(20)	2,750
<b>Pacific Gas and Electric Company</b>								
Core	53	92	90	578	4	0	0	817
Noncore Commercial/Industrial/EG/Resale (3)	134	456	12	840	32	0	0	1,474
<b>Total</b>	187	548	102	1,418	36	0	0	2,291
<b>Other Northern California</b>								
Core (5)	0	0	0	0	0	0	37	37
<b>Non-Utilities</b>								
Direct Sales/Bypass	380	0	0	0	365	183	0	928
<b>TOTAL SUPPLIER</b>	965	1,657	652	1,682	791	243	17	6,007
<b>NOTES:</b>								
(1) Includes storage activities.								
(2) Includes NGV volumes.								
(3) EG includes UEG, COGEN, and EOR Cogen.								
(4) Includes DGN volumes and SDG&E data as shown.								
<b>San Diego Gas &amp; Electric Company</b>								
Core	3	47	11	41	1	0	24	127
Noncore	0	194	47	2	0	0	1	244
<b>Total</b>	3	241	59	43	1	0	24	371

(5) Includes Southwest Gas Corp., Avista and Tuscarora data.



**2004 California Gas Report**  
**Recorded 2003 Statewide Sources and Disposition Summary**  
**MMcf/Day**

	California Sources	El Paso	Trans western	PG&E GT-NW	Kern River	Mojave	Other (1)	Total
<b><u>Southern California Gas Company</u></b>								
Core (2)	57	575	245	23	26	5	6	938
Noncore Commercial/Industrial	63	68	64	53	139	14	11	411
EG (3)	121	130	122	101	267	27	21	789
EOR	7	7	6	5	14	1	1	42
Wholesale/Resale/International (4)	58	197	66	55	37	13	(49)	377
<b>Total</b>	<b>306</b>	<b>976</b>	<b>503</b>	<b>238</b>	<b>483</b>	<b>61</b>	<b>(11)</b>	<b>2,557</b>
<b><u>Pacific Gas and Electric Company</u></b>								
Core	0	146	9	569	9	0	0	733
Noncore Commercial/Industrial/EG/Resale (3)	155	305	78	595	157	0	64	1,354
<b>Total</b>	<b>155</b>	<b>451</b>	<b>87</b>	<b>1,164</b>	<b>166</b>	<b>0</b>	<b>64</b>	<b>2,087</b>
<b><u>Other Northern California</u></b>								
Core (5)	0	0	0	0	0	0	39	39
<b><u>Non-Utilities</u></b>								
Direct Sales/Bypass	451	0	0	0	600	86	0	1,137
<b>TOTAL SUPPLIER</b>	<b>912</b>	<b>1,427</b>	<b>590</b>	<b>1,402</b>	<b>1,249</b>	<b>147</b>	<b>92</b>	<b>5,819</b>
<b>NOTES:</b>								
(1) Includes storage activities.								
(2) Includes NGV volumes.								
(3) EG includes UEG, COGEN, and EOR Cogen.								
(4) Includes DGN volumes and SDG&E data as shown.								
<b>San Diego Gas &amp; Electric Company</b>								
Core	3	43	14	49	12	0	13	135
Noncore	0	136	45	1	0	0	0	183
<b>Total</b>	<b>3</b>	<b>179</b>	<b>60</b>	<b>50</b>	<b>12</b>	<b>0</b>	<b>13</b>	<b>317</b>

(5) Includes Southwest Gas Corp., Avista and Tuscarora data.