



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.

Page 5 -	Executive Summary
Page 9 -	Statewide Total Supply Sources and Requirements
Page 10 -	Statewide Total Supply Sources Taken
Page 11 -	Statewide Annual Gas Requirements
Page 14 -	Recorded 2000 Sources and Disposition Summary
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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**

Total California's Supply Sources	2004	2005	2008	2016	2020	2025
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
Total California's Requirements	2004	2005	2008	2016	2020	2025
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

STATEWIDE TOTAL SUPPLY SOURCES - TAKEN MMCF/DAY

Northern California	2004	2005	2008	2016	2020	2025
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

Southern California	2004	2005	2008	2016	2020	2025
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

Northern California	2004	2005	2008	2016	2020	2025
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
Exchange (CA and Southwest Gas)	1	1	8	10	10	10
Company Use and Unaccounted for	41	41	44	47	50	53
Utility Total	1,952	1,979	2,144	2,280	2,428	2,614
Pipeline Bypass (3)	440	440	440	440	440	440
Northern California Total	2,392	2,419	2,584	2,720	2,868	3,054
Southern California	2004	2005	2008	2016	2020	2025
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
Utility Total	2,345	2,210	2,337	2,349	2,429	2,576
Pipeline Bypass (3)	788	838	934	992	982	965
Southern California Total	3,133	3,048	3,271	3,341	3,411	3,541

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.

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 ⁽¹⁾	Total
<u>Southern California Gas Company</u>								
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
Total	276	1,450	670	278	245	95	83	3,098
<u>Pacific Gas and Electric Company</u>								
Core	12	130	79	604	28	0	0	853
Noncore Industrial	151	264	110	939	24	0	0	1,488
Total	163	394	189	1,543	52	0	0	2,341
<u>Other Northern California</u>								
Core (5)	0	0	0	0	0	0	11	11
<u>Non-Utilities</u>								
Direct Sales/Bypass	561	0	0	0	323	243	0	1,126
TOTAL SUPPLIER	1,000	1,844	859	1,821	620	338	94	6,577
NOTES:								
(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.								
<u>San Diego Gas & Electric</u>								
Core	9	63	25	36	0	0	5	139
Noncore	1	171	70	6	0	0	1	250
Total	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 ⁽¹⁾	Total
Southern California Gas Company								
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
Total	415	1,495	694	276	290	72	(83)	3,158
Pacific Gas and Electric Company								
Core	29	110	94	574	6	0	0	813
Noncore Commercial/Industrial/EG/Resale (3)	157	563	81	864	78	0	0	1,743
Total	186	673	175	1,438	84	0	0	2,556
Other Northern California								
Core (5)	0	0	0	0	0	0	35	35
Non-Utilities								
Direct Sales/Bypass	400	0	0	0	334	173	0	907
TOTAL SUPPLIER	1,001	2,168	869	1,714	708	245	(48)	6,656
NOTES:								
(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.								
San Diego Gas & Electric Company								
Core	9	45	17	43	4	4	16	136
Noncore	1	205	77	3	0	0	1	288
Total	9	250	94	46	4	4	17	424
(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
Southern California Gas Company								
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
Total	398	1,109	550	264	390	60	(20)	2,750
Pacific Gas and Electric Company								
Core	53	92	90	578	4	0	0	817
Noncore Commercial/Industrial/EG/Resale (3)	134	456	12	840	32	0	0	1,474
Total	187	548	102	1,418	36	0	0	2,291
Other Northern California								
Core (5)	0	0	0	0	0	0	37	37
Non-Utilities								
Direct Sales/Bypass	380	0	0	0	365	183	0	928
TOTAL SUPPLIER	965	1,657	652	1,682	791	243	17	6,007
NOTES:								
(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.								
San Diego Gas & Electric Company								
Core	3	47	11	41	1	0	24	127
Noncore	0	194	47	2	0	0	1	244
Total	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
<u>Southern California Gas Company</u>								
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
Total	306	976	503	238	483	61	(11)	2,557
<u>Pacific Gas and Electric Company</u>								
Core	0	146	9	569	9	0	0	733
Noncore Commercial/Industrial/EG/Resale (3)	155	305	78	595	157	0	64	1,354
Total	155	451	87	1,164	166	0	64	2,087
<u>Other Northern California</u>								
Core (5)	0	0	0	0	0	0	39	39
<u>Non-Utilities</u>								
Direct Sales/Bypass	451	0	0	0	600	86	0	1,137
TOTAL SUPPLIER	912	1,427	590	1,402	1,249	147	92	5,819
NOTES:								
(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.								
<u>San Diego Gas & Electric Company</u>								
Core	3	43	14	49	12	0	13	135
Noncore	0	136	45	1	0	0	0	183
Total	3	179	60	50	12	0	13	317

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