Western Pipeline Group

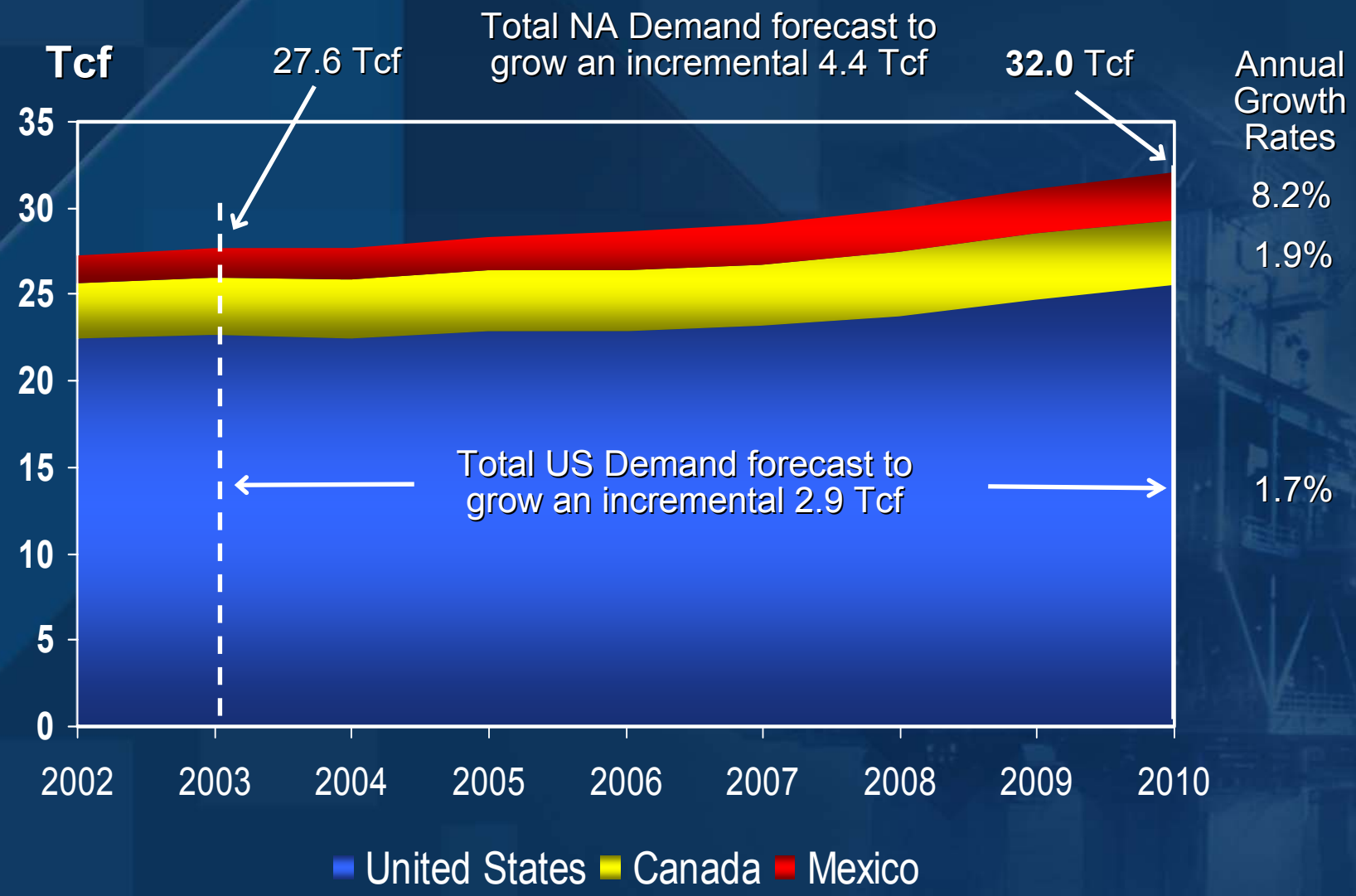
CEC/CPUC Joint Workshop
December 9-10, 2003

elpaso Pipeline Group

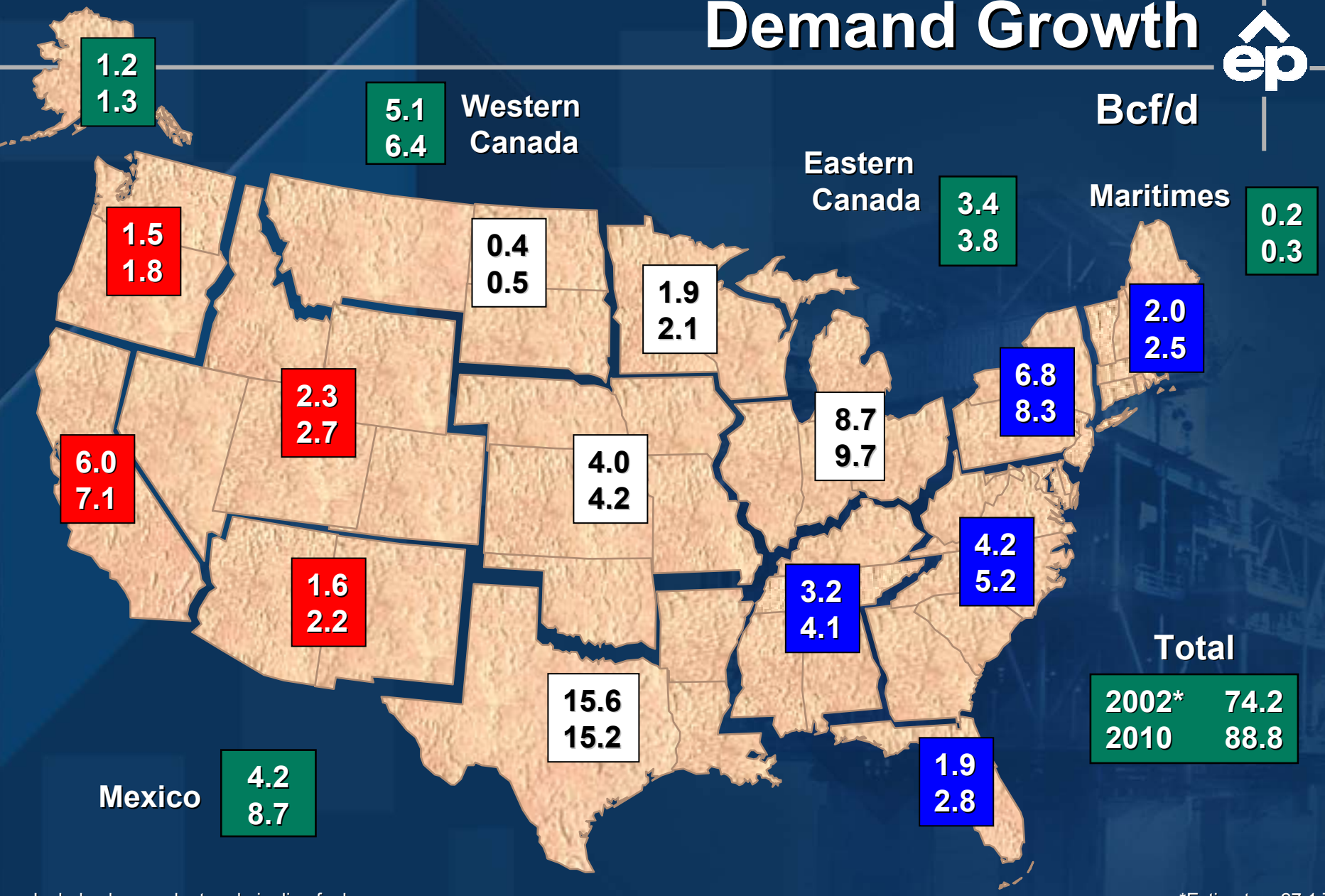
Macro Assumptions Driving Demand

Description	Current Basecase
Macroeconomic Assumptions	
U.S. GDP (2003 – 2010)	2.8
U.S. Industrial Production	2.0
Canadian GDP (2003 – 2010)	2.2
U.S. Electric Growth (2003 – 2010)	2.0
Alternate Fuels	
RACC	$22 @ 2004; 2.0% AGR
Coal	1.0% AGR
Weather	
Monthly Average Degree Days	Recent 30 years

North American Demand Forecast



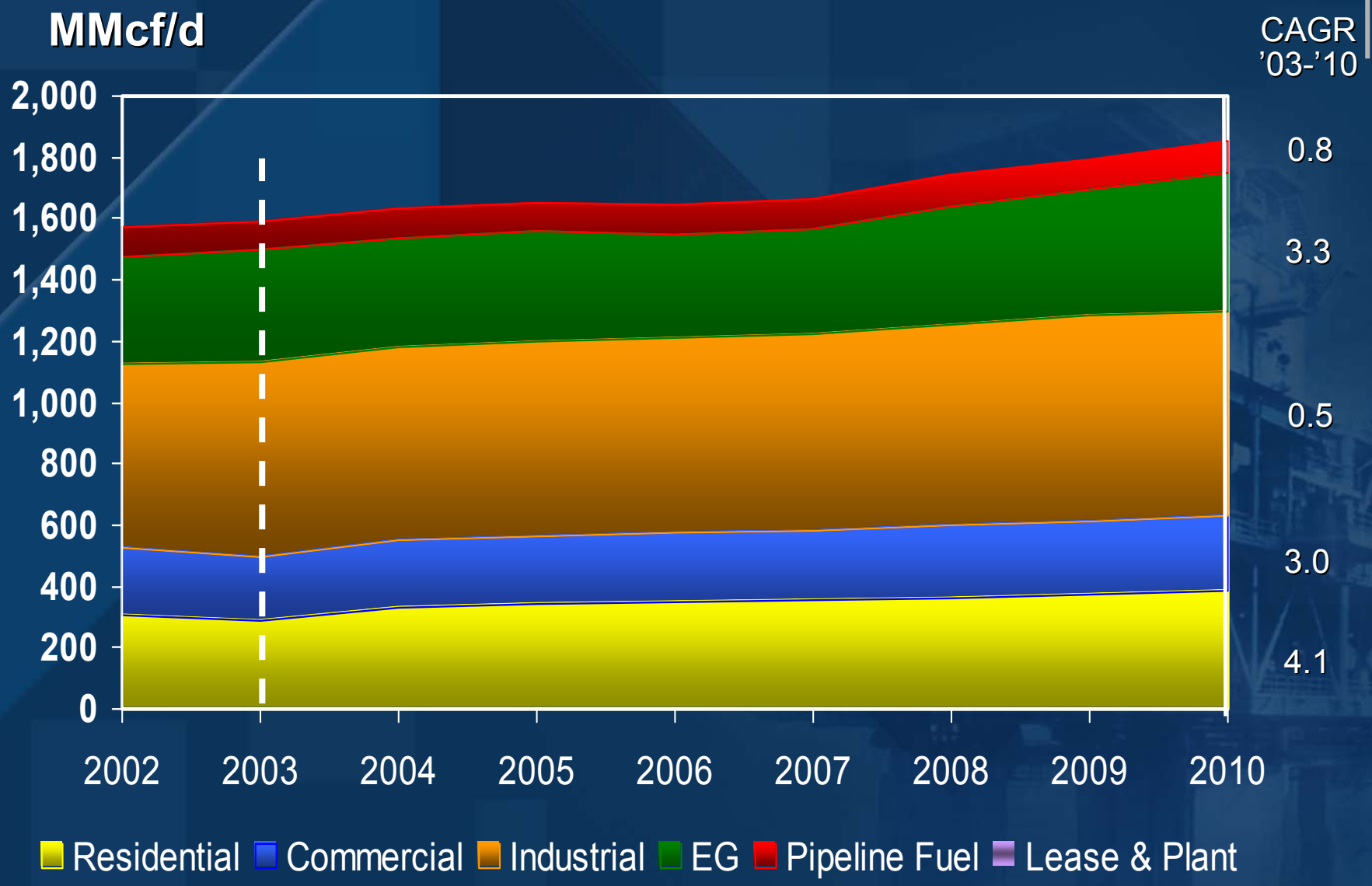
North American Regional Demand Growth



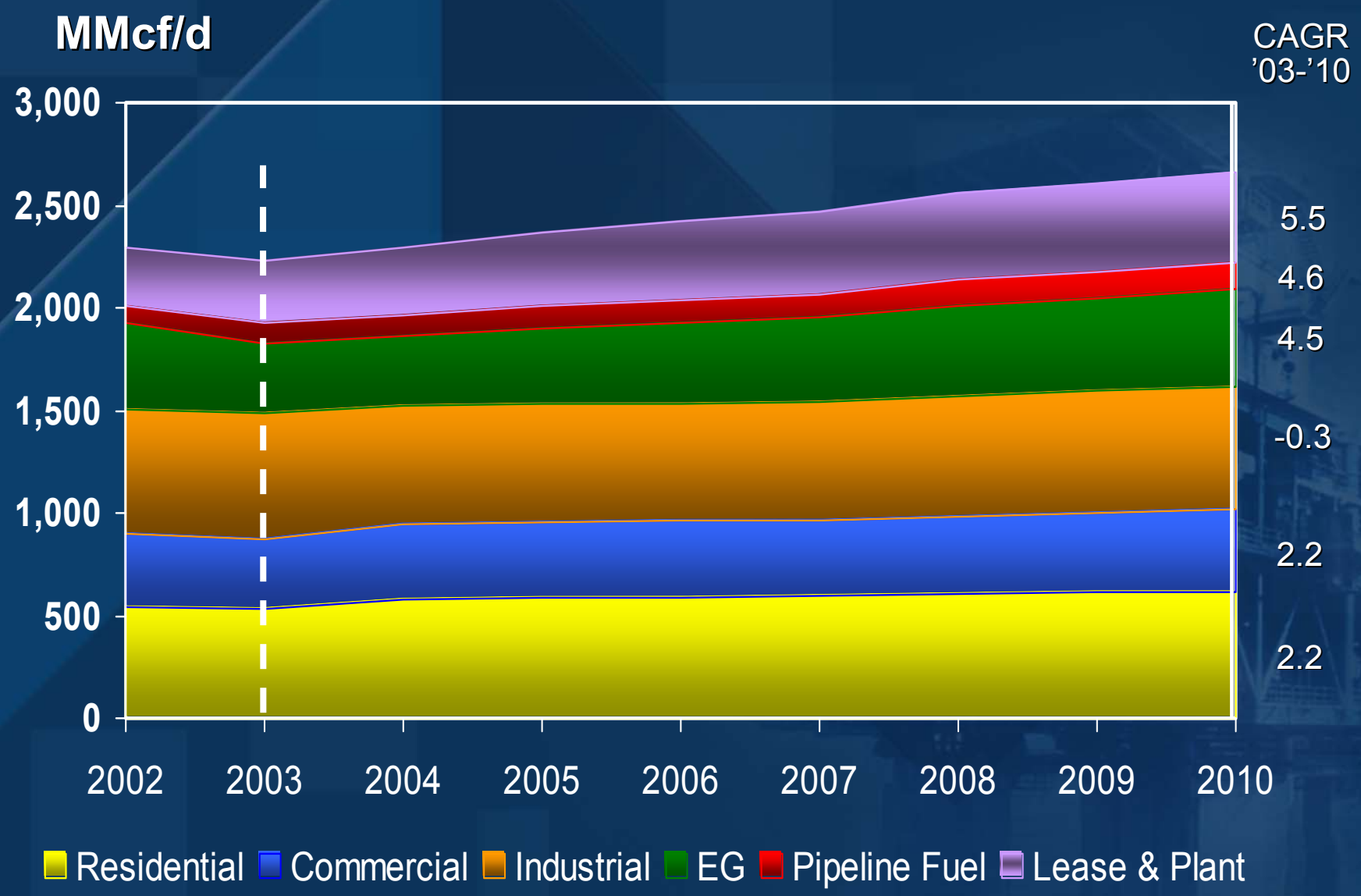
Includes lease, plant and pipeline fuel

*Estimate – 27.1 Tcf

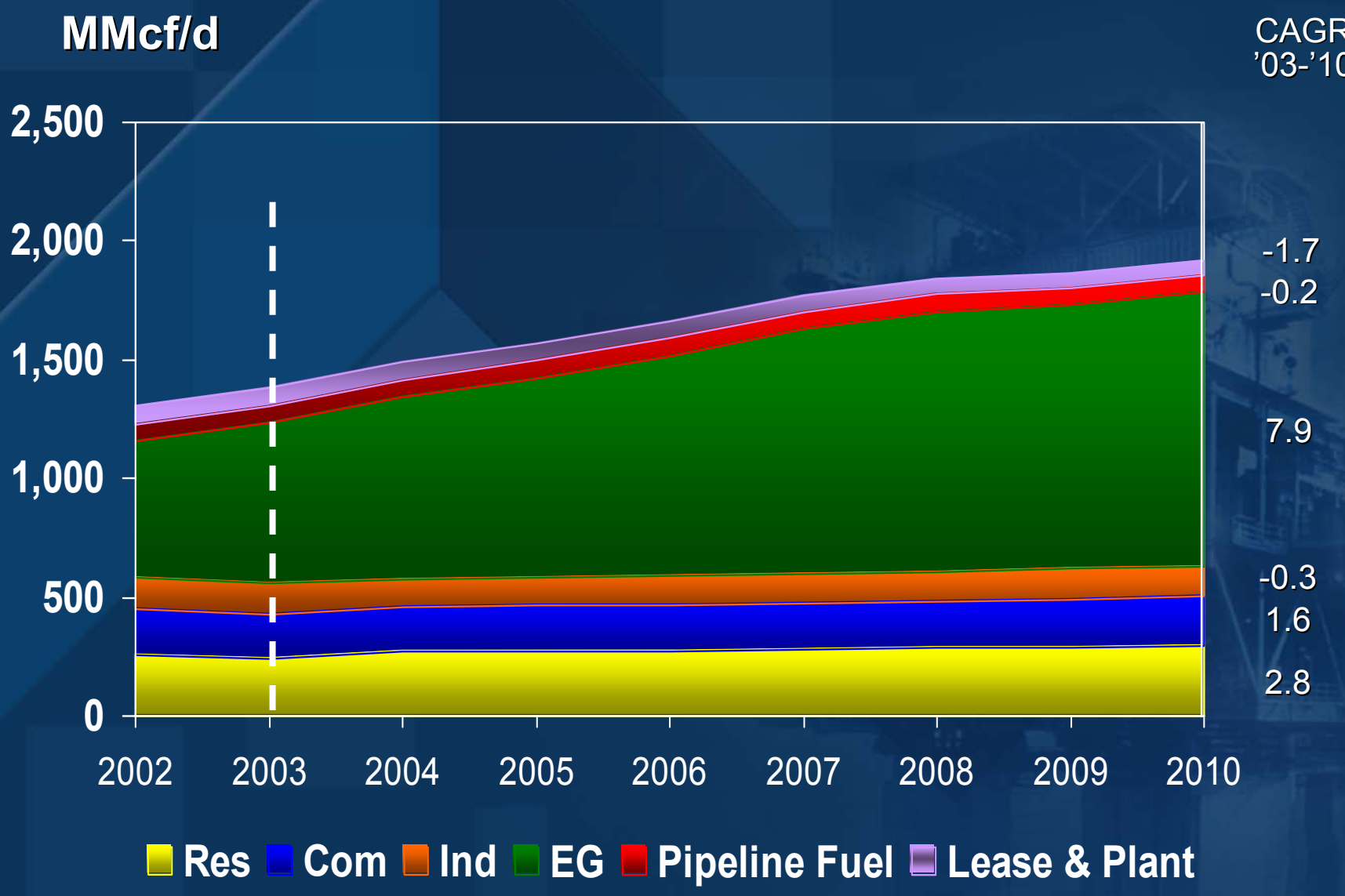
Pacific NW Region Gas Demand
(OR, WA)



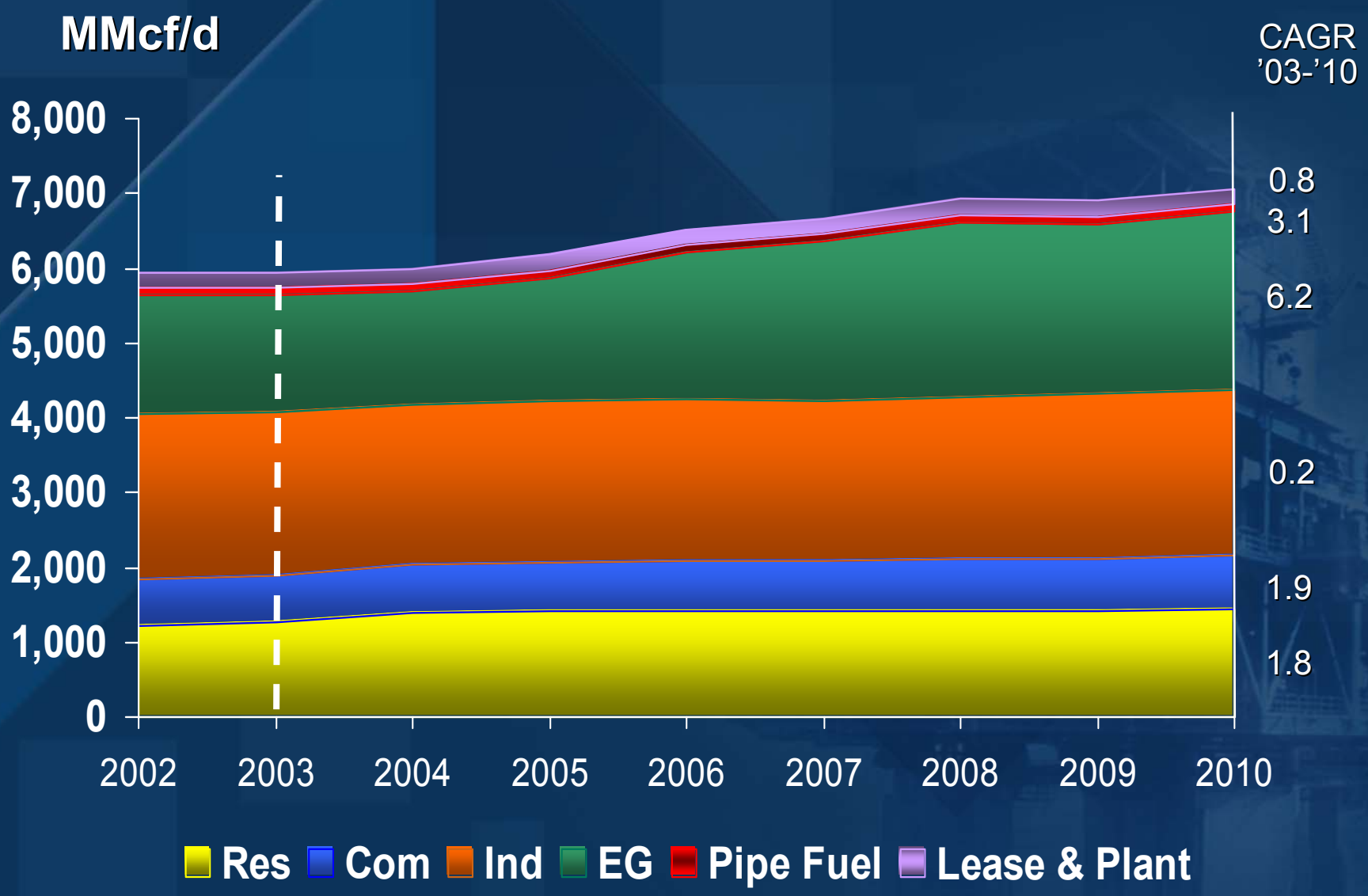
Mountain Region Gas Demand
(CO, WY, UT, NV, ID)



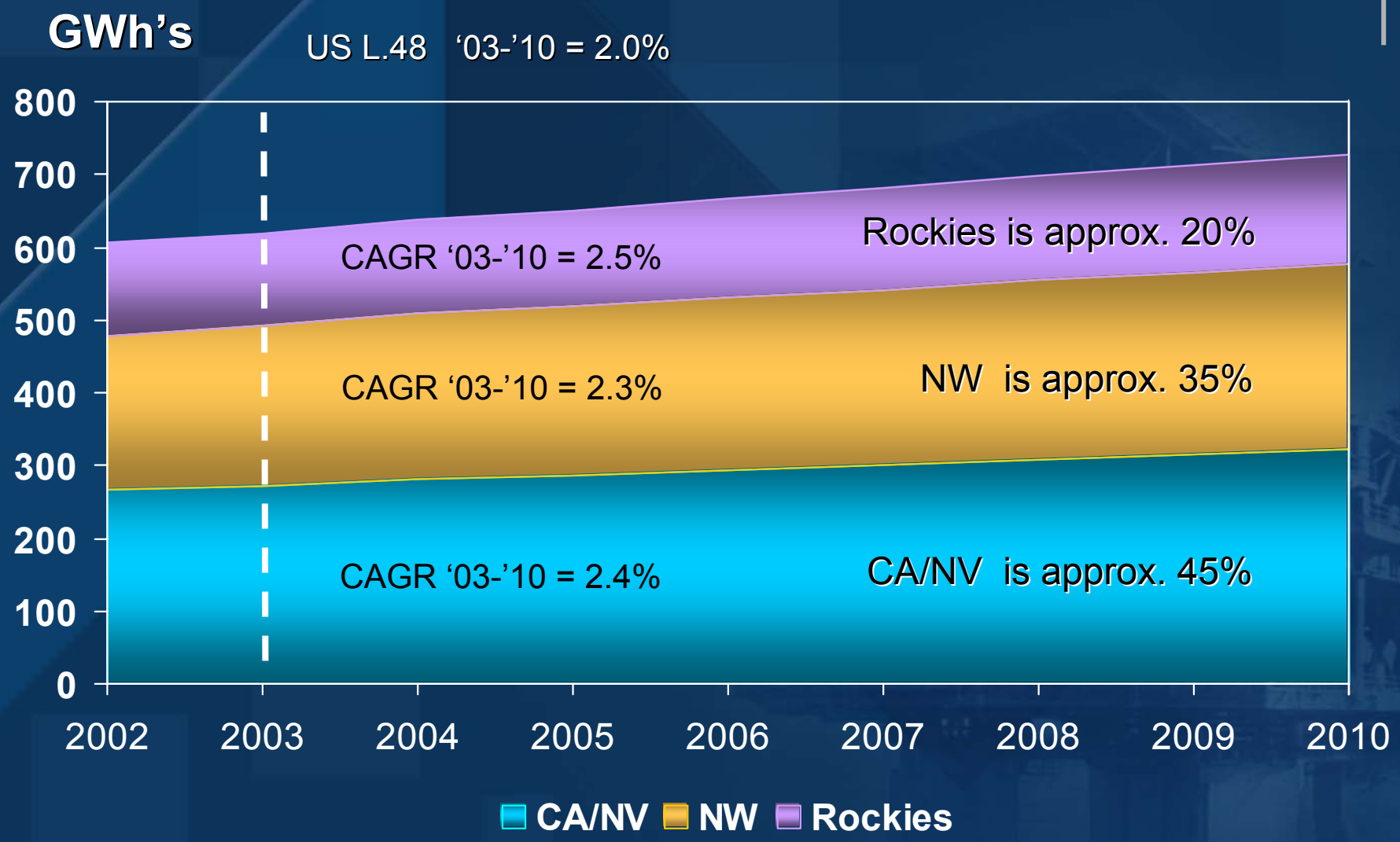
Southwest Region Gas Demand
(AZ, NM)



California Demand

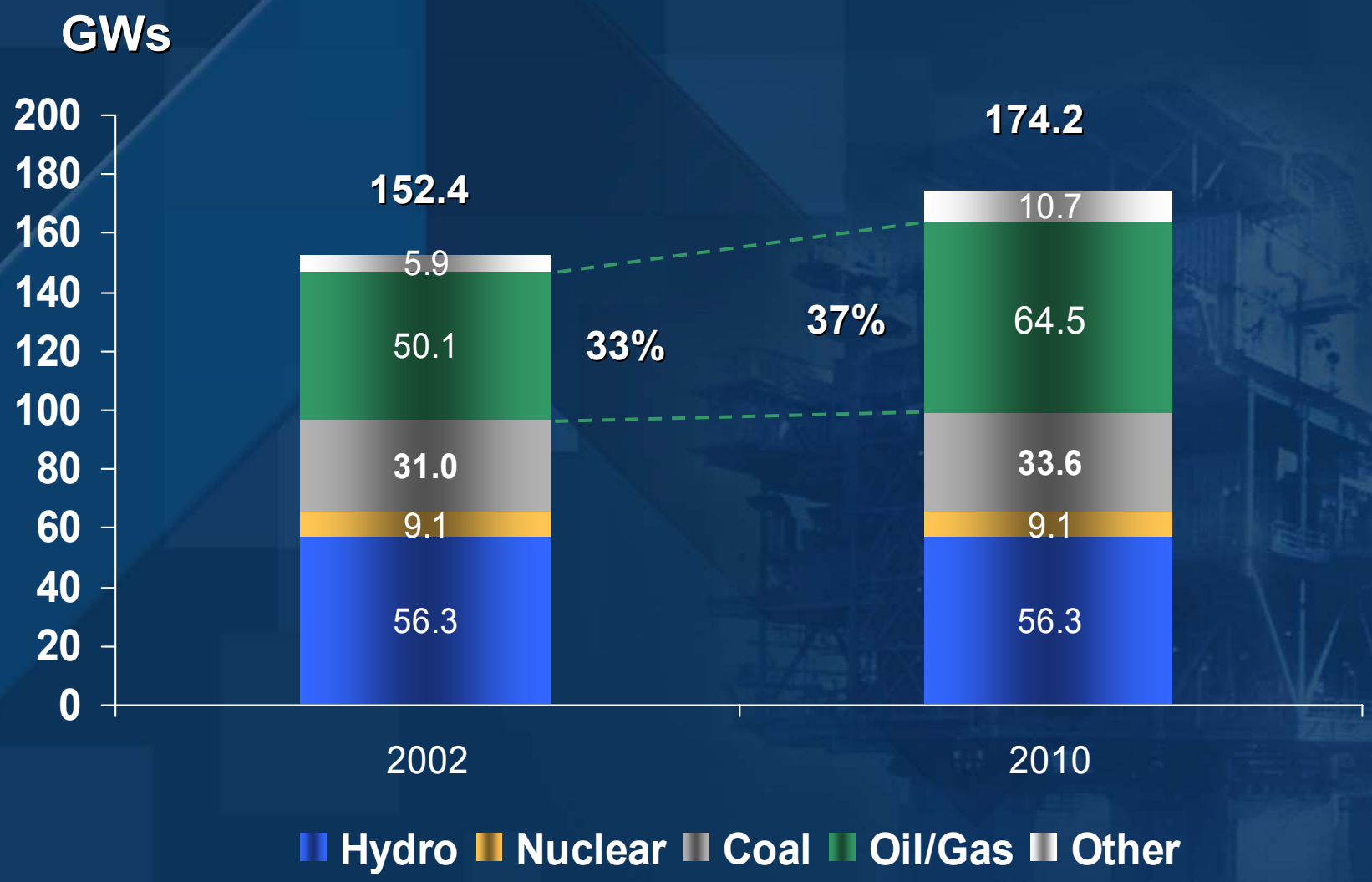


Electricity Demand – U.S. WECC and Sub-regions*



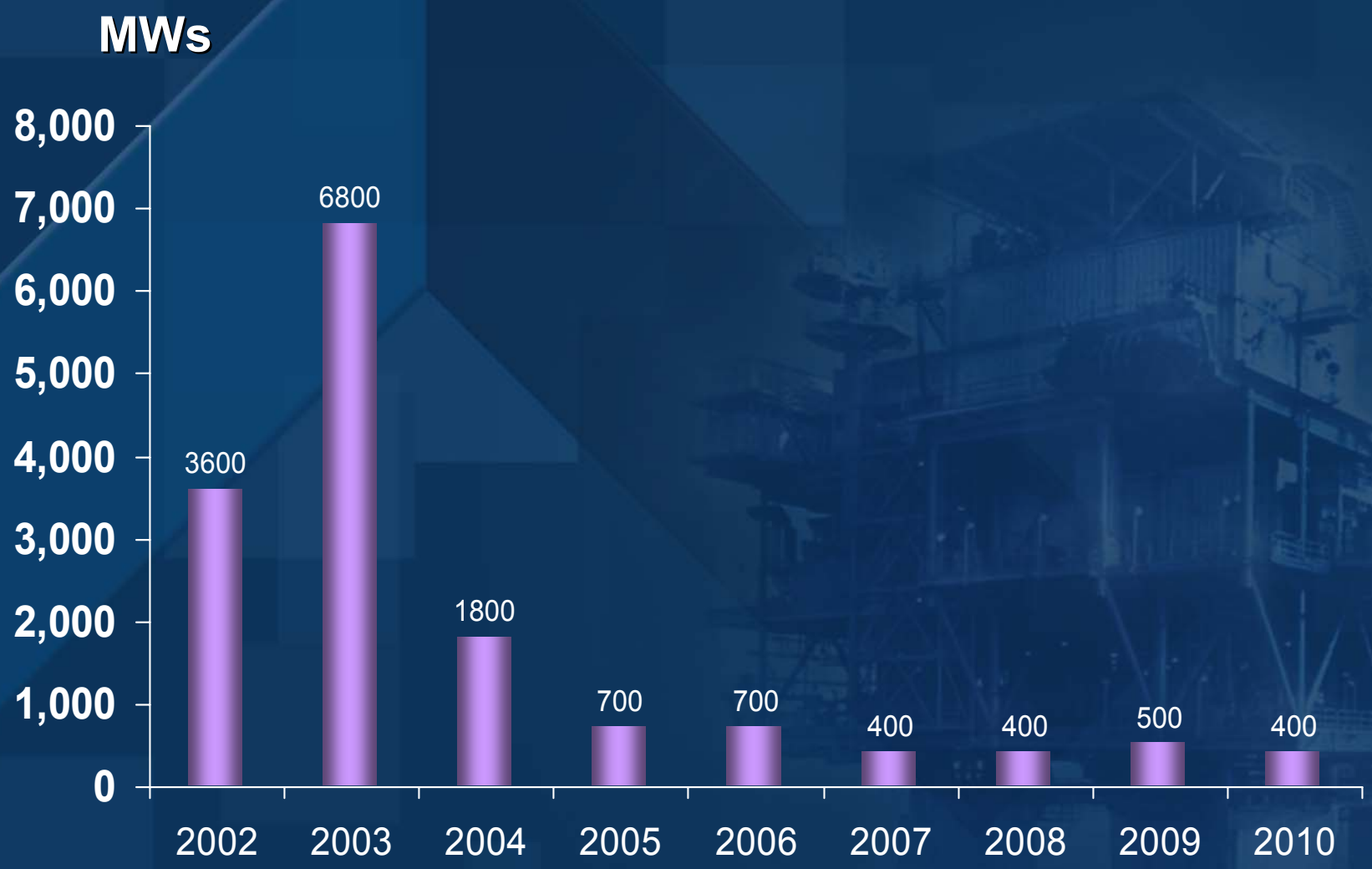
*EEA model sub-regions

WECC (US) – Net Generation Capacity by Source



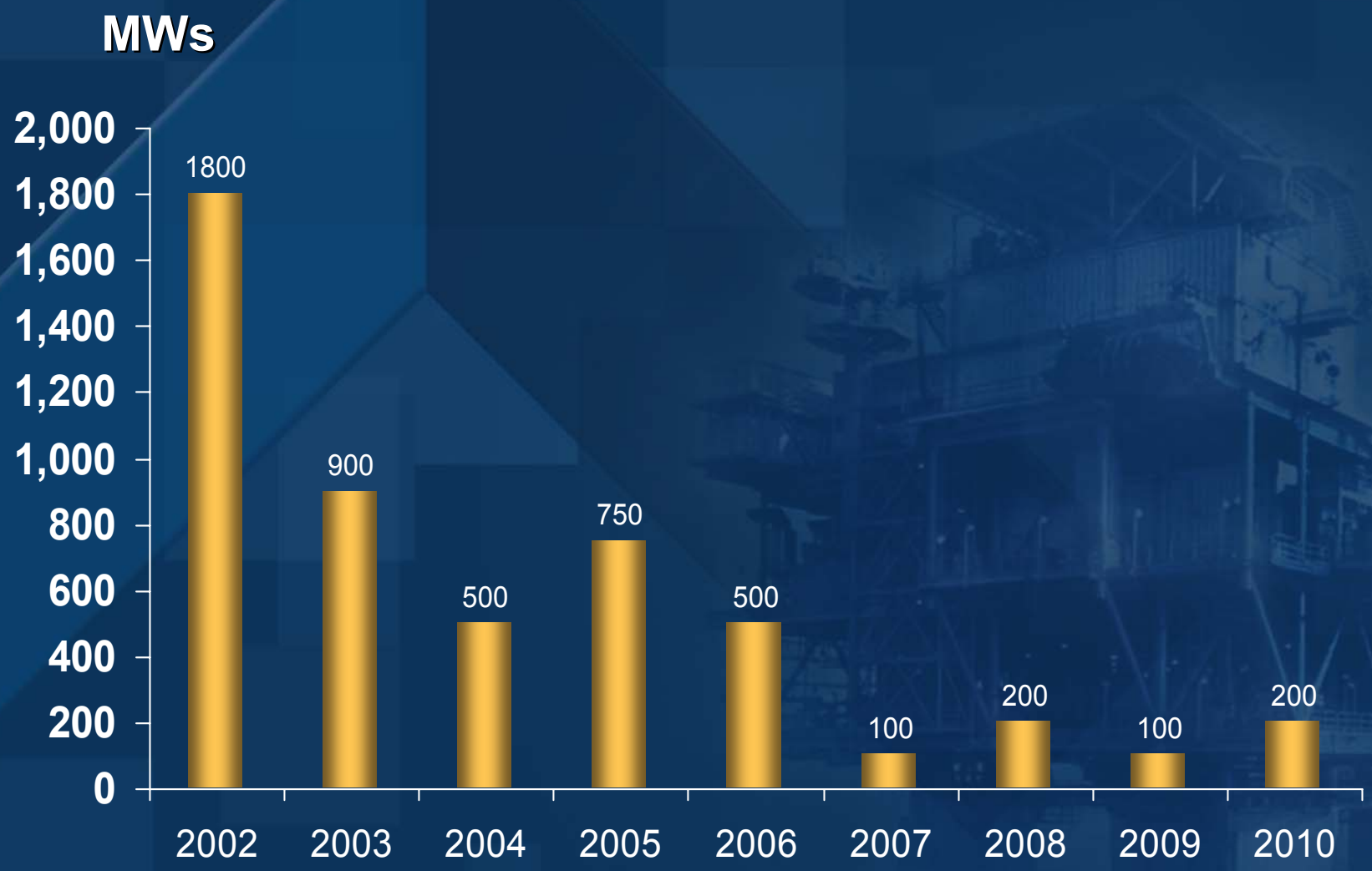
In EG module

Gas Fueled Power Plant Additions – Rockies sub-region (inclds. AZ, NM)



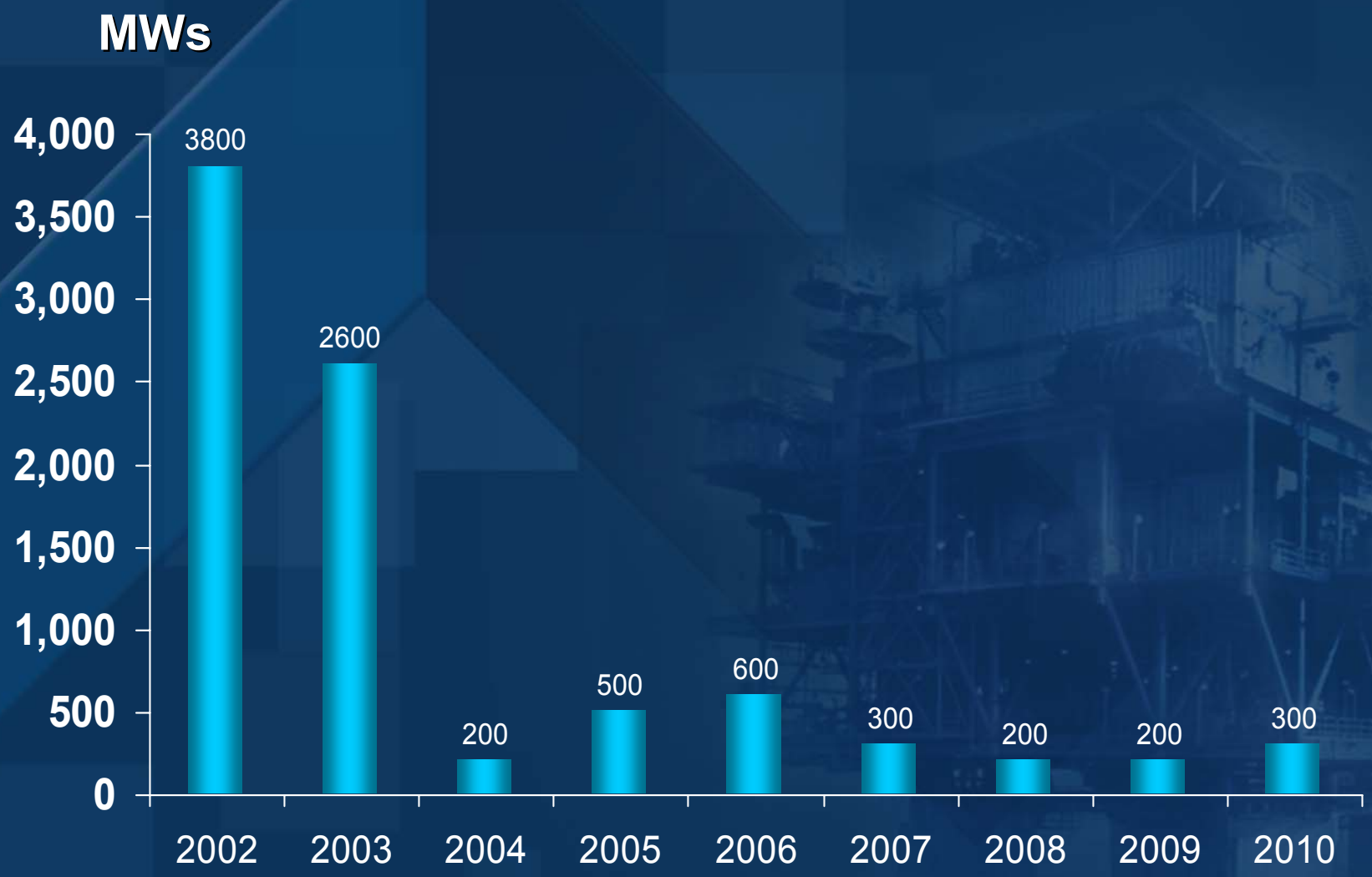
In EG module for Rockies sub-region

Gas Fueled Power Plant Additions - NW sub-region



In EG module for Northwest sub-region

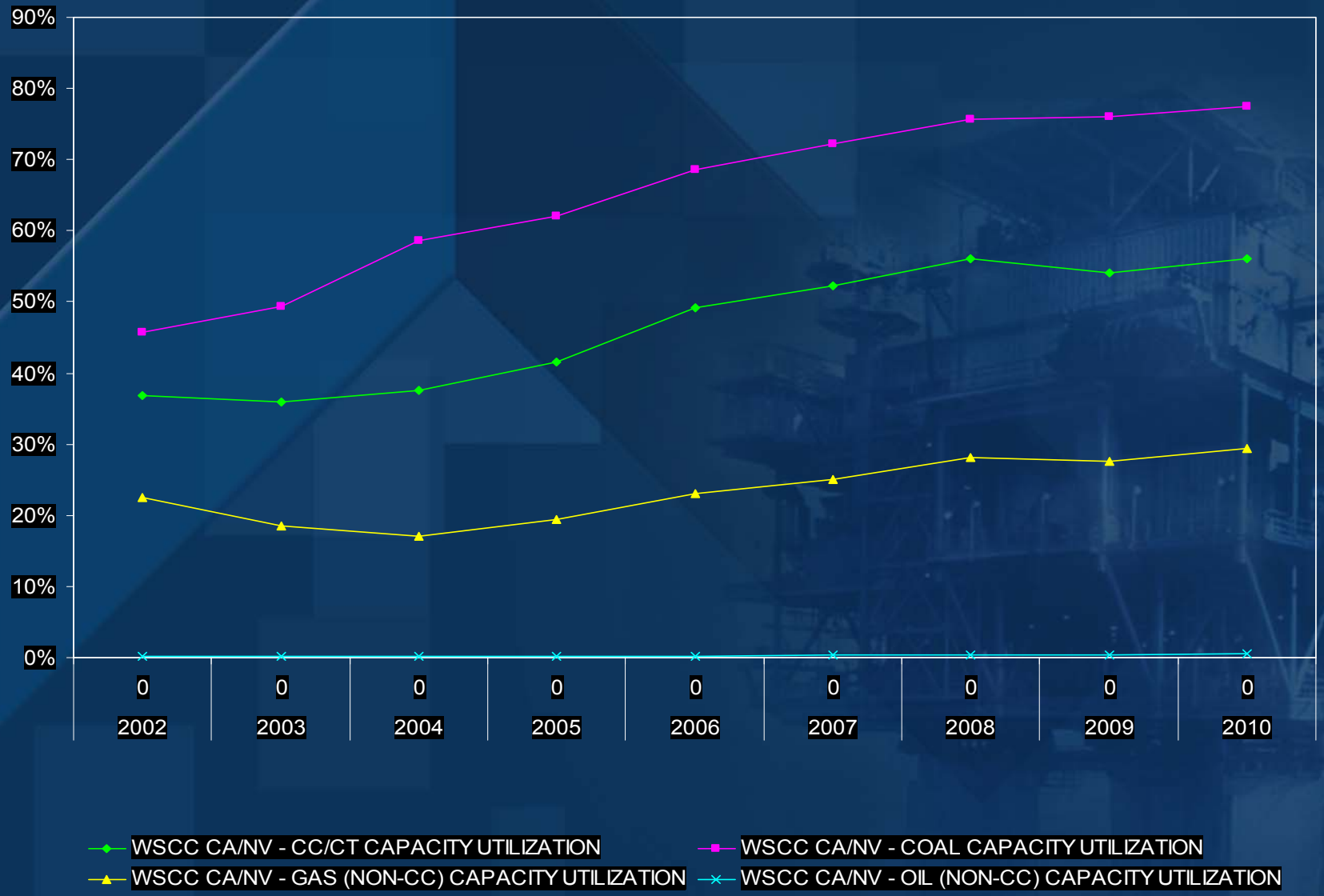
Gas Fueled Power Plant Additions – CA/NV sub-region



In EG module for CA/NV sub-region

Fossil Fueled EG Capacity Utilization

(in EG module for CA/NV subregion of WECC)



Closing Remarks

- Economic and Electricity Demand Growth are Primary Long-term Drivers for Natural Gas Demand.
- Weather, as usual, is key wildcard for actual consumption. Weather scenarios essential for planning purposes.
- California market is largest in West, but growing more slowly than two of the three other western sub-regions.
- While California's growth may be slower, in volumetric terms, it is the largest incrementally.