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March 4, 2005

Via Messenger

Docket Clerk
California Public Utilities Commission
505 Van Ness Avenue, Room 2001
San Francisco, CA 94102-3214

Re: JOINT COMMENTS – CPUC No. R.04-01-025 &
CEC No. 04-IEP-01

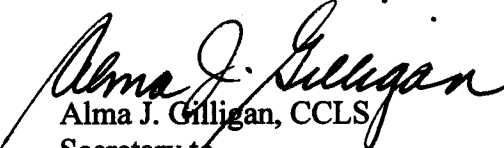
Dear Docket Clerk:

Enclosed for filing is the original and seven copies of **JOINT COMMENTS OF EL PASO NATURAL GAS COMPANY AND MOJAVE PIPELINE COMPANY ON NATURAL GAS QUALITY ISSUES.**

We are including an additional copy of this document to be filed-stamped and returned for our records. A self-addressed, stamped envelope is enclosed for that purpose.

Your immediate attention to this matter is greatly appreciated.

Very truly yours,


Alma J. Gilligan, CCLS
Secretary to
Peter W. Hanschen

Enclosures

cc: R.04-01-025 Service List

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF
CALIFORNIA**

In the matter of Informational Proceeding and
Preparation of the California Energy
Commission's 2005 Integrated Energy Policy
Report and the California Public Utilities
Commission Natural Gas Order Instituting
Rulemaking 04-01-025

Energy Commission
Docket No. 04-IEP-01,
CPUC Docket No. R.04-01-025

**JOINT COMMENTS OF EL PASO NATURAL GAS COMPANY
AND MOJAVE PIPELINE COMPANY ON
NATURAL GAS QUALITY ISSUES**

In accordance with the procedures set forth in the "Notice of Joint Workshop Between the Energy Resources Conservation and Development Commission and California Public Utilities Commission" dated December 23, 2004, El Paso Natural Gas Company ("EPNG") and Mojave Pipeline Company ("Mojave") (collectively "El Paso") hereby submit their joint comments following the workshop conducted on February 17-18, 2005 in San Francisco, California.

Comments

El Paso Corporation's subsidiaries own and operate the largest natural gas transmission system in North America. EPNG is one of the largest transporters of natural gas to California, with gas being accessed from a diversity of supply basins. In addition, the Mojave system supplies gas to industrial and other markets in California. Because of the location of its pipelines and its

experiences, El Paso may be uniquely situated to help contribute to the solutions of the issues discussed at the workshop.

First, El Paso commends and supports the efforts of the CEC and CPUC in hosting this workshop on this important topic. El Paso appreciates that the CPUC and CEC are working together with the stakeholders to ensure safe, reliable, effective, and environmentally sensitive natural gas supplies to California at reasonable rates over the long term by addressing the gas quality issues that confront the state as it considers adding supplies from Liquefied Natural Gas (LNG). We welcome the opportunity to be part of this process.¹

Second, we note that El Paso Corporation already has experience with LNG. An El Paso subsidiary, Southern LNG, Inc., owns and operates the Southern LNG terminal located on Elba Island, near Savannah, Georgia. This is one of the four primary LNG terminals currently operating in the United States. Southern Natural Gas (SNG), another El Paso company, receives the LNG into its system and transports it to markets in Georgia and South Carolina. SNG often receives LNG from the Trunkline LNG terminal located in Lake Charles, Louisiana via a pipeline interconnect. Further, Tennessee Gas Pipeline Company (TGP), another El Paso subsidiary, currently receives gas into its pipeline system from the Distrigas LNG facility in the Boston, Massachusetts area. Within a few weeks, a new project will be online that will allow TGP to receive gas from LNG tankers attached to its facilities located in offshore Louisiana. In summary, in addition to owning and operating one of the country's

¹ To the extent the parties involved in this effort elect to have another meeting to discuss the many aspects of the issues presented at the workshop, El Paso would be glad to participate.

four primary LNG terminals, El Paso companies currently receive and transport LNG from three out of the four existing LNG terminals. El Paso can bring this experience to bear on California's issues through participation in future California meetings and discussions.

El Paso is also currently participating with regard to gas quality matters at the national level. This includes working with the Natural Gas Council ("NGC") in its development of the White Papers entitled "Liquid Hydrocarbon Drop Out in Natural Gas Infrastructure" and "the Natural Gas Interchangeability and Non-Combustion End Use" that were recently presented to the Federal Energy Regulatory Commission. Such efforts will help provide the foundation for development of a more robust, seamless energy grid allowing access and movement of larger, more diverse, supplies of clean energy not only into the California market but nationwide.

Third, in unison with many of the workshop participants, El Paso also recognizes and promotes the establishment of such measures as a Wobbe Index standard. A Wobbe Index Range combined with other boundaries such as Higher Heating Value (BTU), Total Inerts, and/or Maximum Butane+ Content will result in establishing a workable environment for ensuring the safety, efficiency, and environmental benefits of the natural gas supplies to our customers, our neighbors, and our industry.

Conclusion

El Paso supports the Commission's efforts to establish policies and rules to ensure safe, reliable, effective, and environmentally preferable long-term

supplies of natural gas to California. The transportation services provided by the El Paso pipeline systems are aligned with, and may provide unique opportunities to meet, many goals of this proceeding. For over a half-century, El Paso has partnered with California to deliver reliable and efficient gas supplies to the state's consumers. El Paso wants to build on that important partnership and now work with California as it shapes its long-term gas supply policy for the twenty-first century.

Respectfully submitted,

By 

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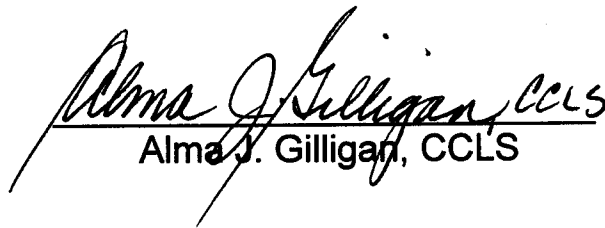
Counsel for El Paso Natural Gas Company
and Mojave Pipeline Company

Dated: March 4, 2004

CERTIFICATE OF SERVICE

I, Alma J. Gilligan, certify that on March 4, 2005, I served a true copy of the original attached document entitled **JOINT COMMENTS OF EL PASO NATURAL GAS COMPANY AND MOJAVE PIPELINE COMPANY ON NATURAL GAS QUALITY ISSUES** by e-mail and by first class U.S. mail to the attached service list.

Dated: March 4, 2005, at Walnut Creek, California.


Alma J. Gilligan, CCLS

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