

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)**

In re: *

PG&E NATIONAL ENERGY GROUP, INC., et al. * Case No.: 03-30459 (PM) and 03-30461(PM) through 03-30464(PM)

Debtors. * Chapter 11
(Jointly Administered under

* Case No.: 03-30459(PM))

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**NOTICE OF COMMENCEMENT OF CASES,
MEETING OF CREDITORS AND AUTOMATIC STAY**

COMMENCEMENT OF CASES. On July 8, 2003, PG&E National Energy Group, Inc., PG&E Energy Trading – Power, L.P., PG&E ET Investments Corporation, PG&E Trading Holdings Corporation, and PG&E Energy Trading – Gas Corporation (collectively, the “Debtors”) filed voluntary petitions for reorganization under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors filed their petitions with the United States Bankruptcy Court for the District of Maryland (the “Court”). Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession. The Debtors are headquartered in Bethesda, Maryland. Attached hereto is a complete list of the five Debtors, their individual case numbers, and their respective Tax I.D. numbers, as well as a list of f/k/a’s, d/b/a’s and aliases of the Debtors.

MEETING OF CREDITORS. Pursuant to section 341 of the Bankruptcy Code, **the United States Trustee for the District of Maryland has scheduled a meeting of creditors to be held on September 3, 2003, at 12:00 noon (Eastern Time) at the Greenbelt Marriott, 6400 Ivy Lane, Greenbelt, Maryland 20770.** You may be a creditor of one or more of the Debtors. Accordingly, you are invited to attend this meeting, but your attendance is not mandatory. At this meeting, the United States Trustee will examine the Debtors and transact such other business as may properly come before the meeting. Creditors may also ask such questions as may properly be raised at the meeting. The meeting may be continued or adjourned from time to time by notice at the meeting without further written notice to creditors. If the meeting is not concluded, the date and time of the continued meeting will be filed with the Clerk of the Court. A representative of the Debtors, as specified in Rule 9001(5)(A) of the Federal Rules of Bankruptcy Procedure, will appear at the meeting of creditors for the purpose of being examined under oath.

PURPOSE OF THE CHAPTER 11 FILINGS. Chapter 11 of the Bankruptcy Code enables a debtor to reorganize pursuant to a Chapter 11 plan. A Chapter 11 plan of reorganization is not effective unless approved by the Court at a confirmation hearing. Creditors will be given notice of the Debtors' plan of reorganization and the opportunity to vote on the acceptance or rejection of such plan. Unless otherwise ordered by the Court, each of the Debtors

will remain in possession of its property and will continue to operate its business as a debtor in possession.

CREDITORS MAY NOT TAKE CERTAIN ACTIONS. Under the Bankruptcy Code, the Debtors are granted protection against certain actions by creditors. Common examples of prohibited actions by creditors include contacting a Debtor to demand repayment of a debt, taking action against a Debtor to collect money owed to creditors, taking or exerting control over property of a Debtor, terminating or changing the terms of existing contracts or agreements with a Debtor due to the filing of the bankruptcy case, and starting or continuing collection and/or foreclosure actions or repossessions, or taking any action to realize the value of a secured creditor's collateral. If unauthorized actions are taken by a creditor against a Debtor, the Court may penalize that creditor. A creditor who is considering taking action against the Debtors or their property should review Section 362 of the Bankruptcy Code and may wish to seek independent legal advice. Neither the staff of the Clerk of Court nor the Debtors' attorneys are permitted to give legal advice to creditors. Finally, creditors are encouraged to contact the Debtors or their attorneys before taking any action against a Debtor or its property, in order to fully explore possible consensual resolutions of such creditors' outstanding issues.

FILING PLEADINGS OR OBTAINING COPIES OF PLEADINGS. Should you wish to file any pleadings with the Bankruptcy Court, please file them with the Bankruptcy Clerk's Office at the following address:

Bankruptcy Clerk's Office
U.S. Courthouse
6500 Cherrywood Lane, Suite 300
Greenbelt, Maryland 20770
(301) 344-8018

Hours open: Monday–Friday 8 a.m. to 4 p.m.

Please be advised that pursuant to Administrative Order 03-02, dated April 4, 2003, the Court has adopted certain electronic case filing procedures. More information regarding the electronic case filing procedures is available at the Court's web site <http://www.mdb.uscourts.gov>.

Should you wish to obtain copies of any pleading, you may obtain them from the following copy service:

Document Technologies, Inc.
U.S. Courthouse
6500 Cherrywood Lane, Suite 300
Greenbelt, Maryland 20770
(301) 982-4216
FAX (301) 982-4271

SCHEDULES AND PROOFS OF CLAIM. The Debtors anticipate that on or before August 22, 2003, they will file schedules of known creditors pursuant to Rule 1007 of the Federal Rules of Bankruptcy Procedure and any applicable order of the Court. Creditors whose

claims are not scheduled or whose claims are scheduled as disputed, contingent or unliquidated as to amount and who desire to participate in the Debtors' cases or share in any distribution will be required to file a proof of claim. **The Court has not yet set a deadline for filing proofs of claims in the Debtors' cases.** However, in the future, the Debtors will be requesting that the Court set a deadline for filing claims and establishing certain other requirements for filing claims. **The Debtors have retained Bankruptcy Services, LLC ("BSI") as claims agent to perform, among other things, noticing and claims processing for the Debtors. Once the Court establishes the claims deadline, BSI will advise you of the same by mail.** Parties in interest with questions regarding the claims process may contact BSI as follows:

Bankruptcy Services, LLC
757 Third Avenue
3rd Floor
New York, NY 10017
Telephone: (646) 282-2500
Fax: (646) 282-2501

INFORMATION REGARDING CASES. Other than as referenced herein, you will not automatically receive notice of documents filed in the Debtors' cases. All documents filed with the Court are available for inspection, free of charge, at the office of the Clerk of the Court, 6500 Cherrywood Lane, Suite 300, Greenbelt, Maryland 20770. The Clerk's office is open Monday through Friday from 8 a.m. to 4 p.m.

DEBTORS' INFORMATION LINE. Parties in interest with questions regarding the Debtors' cases may contact the Debtors' at 1-301-280-7878. Additional information may also be available on the Debtors' website: www.neg.pge.com.

DEBTORS' ATTORNEYS. Parties in interest with questions regarding the Debtors' cases may contact the Debtors' attorneys as follows:

Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019-6099
Telephone: (212) 728-8000
Fax (212) 728-8111
E-mail: ccallari@willkie.com
Attention: Carollynn H.G. Callari, Esquire

and

Whiteford, Taylor & Preston L.L.P.
Seven Saint Paul Street, Suite 1400
Baltimore, Maryland 21202-1626
Telephone: (410) 347-8700
Fax: (410) 625-7510
E-mail: mletcher@wtplaw.com
Attention: Martin T. Fletcher, Esquire

YOU ARE NOT REQUIRED TO ATTEND THE CREDITORS MEETING OR TO TAKE ANY OTHER ACTION WITH RESPECT TO THIS NOTICE.

Dated: Baltimore, Maryland
July 11, 2003

Mark D. Sammons
Clerk of the Bankruptcy Court

LIST OF DEBTORS, CASE NUMBERS, AND TAXPAYER ID NUMBERS

No.	Entity Name	Case Number	Taxpayer ID Number
1.	PG&E National Energy Group, Inc.	03-30459 (PM)	94-3316236
2.	PG&E Energy Trading – Power, L.P.	03-30461 (PM)	52-1923766
3.	PG&E ET Investments Corporation	03-30462 (PM)	74-2885086
4.	PG&E Trading Holdings Corporation	03-30463 (PM)	94-3147463
5.	PG&E Energy Trading – Gas Corporation	03-30464 (PM)	94-3115649

LIST OF F/K/A's, D/B/A's AND ALIASES

Entity	Taxpayer I.D. Number
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PG&E Diversified Investments, Inc.
Indiana Generating Company, L.P.
USGen Power Services, L.P.
Kite Power Corporation
PG&E Energy Trading – Power Holdings Corporation
Pacific Northwest Gas Systems, Inc.
Energy Source, Inc.
PG&E Energy Trading Corporation