



NEWS

7600 Wisconsin Avenue
Bethesda, MD 20814

FOR IMMEDIATE RELEASE

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NEWS MEDIA CONTACT:
Natalie Wymer, 301/280-5654

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**BANKRUPTCY COURT AUTHORIZES
NATIONAL ENERGY & GAS TRANSMISSION, INC.
AS NEW COMPANY NAME**

**Action for Entity Formerly Known as PG&E National Energy Group, Inc. Taken as Part of
Planned Separation from PG&E Corporation**

BETHESDA, Md – National Energy & Gas Transmission, Inc. (NEGT) announced today that the U.S Bankruptcy Court for the District of Maryland has authorized this new company name. Formerly known as PG&E National Energy Group, the change reflects NEGТ's pending separation from its parent, PG&E Corporation (NYSE: PCG).

While the change is immediate and the company is now phasing in the new name, NEGТ will not become legally separated from PG&E Corporation until NEGТ emerges from bankruptcy and its Plan of Reorganization (POR) is effective. If implemented, PG&E Corporation's equity interest in NEGТ would be eliminated.

The company's subsidiaries also have changed their names to delete references to PG&E. The new names include Gas Transmission Northwest Corporation (formerly PG&E Gas Transmission, Northwest Corporation), which is not in bankruptcy.

The company's other major subsidiary, USGen New England, Inc. did not change its name. USGenNE filed Chapter 11 in July and its case is being separately administered.

Headquartered in Bethesda, Md, NEGТ voluntarily filed for Chapter 11 on July 8, 2003, as part of its ongoing restructuring efforts. The company has more than 7,300 megawatts of generation including a mix of natural gas, coal/oil, hydroelectric, waste coal and wind power at numerous facilities across the country. With more than 1,350 miles of gas pipelines, the company's Pacific Northwest system has the ability to transport 2.9 million cubic feet of natural gas per day from cost-competitive abundant supplies in Western Canada to markets in California, Nevada and the Pacific

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Add One

Northwest. The company also owns the 80-mile North Baja pipeline in Southern California, which has capacity to ship 500 million cubic feet of natural gas from U.S. producing regions to markets in Northern Mexico and Southern California.

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This news release discusses certain matters that may be considered “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, including statements regarding the intent, belief or current expectations of National Energy & Gas Transmission and its management. Actual future results could differ materially from those expressed or implied in any forward-looking statements. National Energy & Gas Transmission describes in its filings with the U.S. Securities and Exchange Commission some of the key factors that could cause actual results to differ materially.