

	3/31/2003	3/31/2002
NEG Earnings Per Share Metrics	f (0.30) f	0.05
Integrated Energy and Marketing	\$ (0.39) \$	0.05
Interstate Pipeline Operations	0.04	0.05 0.02
Discontinued Operations Eliminations and Other	(0.18) \$ (0.16) \$	(0.02)
Total Reported - National Energy Group	\$ (0.16) \$ (0.69) \$	0.10
Consenting Operations		,
Generating Operations Owned and Controlled Capacity in Operation (MW)	1,476	7,099
Owned and Controlled Capacity in Construction (MW)	0	7,743
Total Owned and Controlled Capacity (MW)	1,476	14,842
Capital Expenditures (\$MM)	\$98	\$316
MM MWh generated (owned and controlled)	6.1	9.2
Pipeline Operations		
% of capacity under long-term contracts	94.9%	99.6%
Average Receipts (MDth/d)		
From Canadian Supply (at Kingsgate)	1,468	2,326
From Rockies/BC Supply (at Stanfield)	58	5
Average Deliveries (MDth/d)		
To Pacific Northwest	435	579
To California	1,062	1,631
To Nevada	65	86
Capital Expenditures (\$MM)	\$3	\$42
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Trading and Non-Trading Activity Gross Margin (\$MM)		
· · · · · · · · · · · · · · · · · · ·	\$8	(\$3)
Trading unrealized gain/(loss)	\$8 (\$33)	(\$3) \$45
· · · · · · · · · · · · · · · · · · ·	\$8 (\$33) (\$25)	(\$3) \$45 \$42
Trading unrealized gain/(loss) Trading realized gain/(loss)	(\$33)	\$45
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin	(\$33) (\$25)	\$45
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin Non-Trading MtM gain/(loss) <sup>2</sup>	(\$33) (\$25) As of	\$45 \$42
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss) <sup>2</sup> Value-at-Risk (\$MM) <sup>3</sup>	(\$33) (\$25) As of	\$45 \$42 12/31/2002
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss) <sup>2</sup> Value-at-Risk (\$MM) <sup>3</sup> Daily Trading VaR at 95% confidence level	(\$33) (\$25) As of 3/31/2003 \$16	\$45 \$42 \$42 12/31/2002 \$8
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss) <sup>2</sup> Value-at-Risk (\$MM) <sup>3</sup>	(\$33) (\$25) As of	\$45 \$42 12/31/2002
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss) <sup>2</sup> Value-at-Risk (\$MM) <sup>3</sup> Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges	(\$33) (\$25) As of 3/31/2003 \$16 \$10	\$45 \$42 \$42 <b>12/31/2002</b> \$8 \$3
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)   Value-at-Risk (\$MM)   Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities)   **Total Mark-to-market Gross Margin  Non-Trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges	(\$33) (\$25) As of 3/31/2003 \$16 \$10	\$45 \$42 \$42 <b>12/31/2002</b> \$8 \$3
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)   Value-at-Risk (\$MM)   Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)	(\$33) (\$25) As of 3/31/2003 \$16 \$10	\$45 \$42 \$42 <b>12/31/2002</b> \$8 \$3
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)   Value-at-Risk (\$MM)   Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities)   **Total Mark-to-market Gross Margin  Non-Trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges	(\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12	\$45 \$42 12/31/2002 \$8 \$3 \$9
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)   Value-at-Risk (\$MM)   Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities)   Price risk management assets	(\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12	\$45 \$42 \$42 12/31/2002 \$8 \$3 \$9
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM) 3  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities) 4  Price risk management assets Price risk management liabilities Net Portfolio Value	(\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$901	\$45 \$42 \$42 <b>12/31/2002</b> \$8 \$3 \$9 \$896 \$811
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM)  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM) (of trading and non trading activities)  Price risk management liabilities Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)	(\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$991 \$80	\$45 \$42 12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM)  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities)  Price risk management liabilities Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM) Less than one year	(\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$991 \$80	\$45 \$42 12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)   Value-at-Risk (\$MM)   Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities)   Price risk management assets Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM) Less than one year One to three years	(\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$991 \$80 \$57 (\$79)	\$45 \$42 12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)   Value-at-Risk (\$MM)   Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM) (of trading and non trading activities)   Price risk management liabilities Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM) Less than one year	(\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$991 \$80	\$45 \$42 12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM) 3  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities) 4  Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years	\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$901 \$80 \$57 (\$79) (\$17)	\$45 \$42 \$12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28)
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM) 3  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities) 4  Price risk management assets Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years Beyond five years	\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$901 \$80 \$57 (\$79) (\$17) \$50 \$11	\$45 \$42 \$8 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28) \$62
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM) 3  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities) 4  Price risk management assets Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years Beyond five years	\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$9901 \$80 \$57 (\$79) (\$17) \$50 \$11	\$45 \$42 \$12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28) \$62 (\$22)
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities)  Price risk management assets Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years Beyond five years Beyond five years Total	\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$991 \$80 \$57 (\$79) (\$17) \$50 \$11 As of	\$45 \$42 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28) \$62 (\$22)
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM) <sup>3</sup> Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  (of trading and non trading activities) <sup>4</sup> Price risk management assets Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years Beyond five years Total	\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$901 \$80 \$57 (\$79) (\$17) \$50 \$11 As of 3/31/2003 138.2%	\$45 \$42 \$12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28) \$62 (\$22)
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)  Value-at-Risk (\$MM) 3  Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM) (of trading and non trading activities) 4  Price risk management assets Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years Beyond five years Beyond five years Total  NEG Capitalization (consolidated) Debt to Capitalization Ratio	\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$991 \$80 \$57 (\$79) (\$17) \$50 \$11 As of	\$45 \$42 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28) \$62 (\$22)
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss)   Value-at-Risk (\$MM)   Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM) (of trading and non trading activities)  Price risk management liabilities Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years Beyond five years Beyond five years Total  NEG Capitalization (consolidated) Debt to Capitalization Ratio Debt to Capitalization Ratio (debt net of cash)	\$33) \$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$901 \$80 \$57 (\$79) (\$17) \$50 \$11 As of 3/31/2003 138.2% 144.2%	\$45 \$42 \$8 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28) \$62 (\$22) 12/31/2002 127.1% 129.9%
Trading unrealized gain/(loss) Trading realized gain/(loss) Total Mark-to-market Gross Margin  Non-Trading MtM gain/(loss) <sup>2</sup> Value-at-Risk (\$MM) <sup>3</sup> Daily Trading VaR at 95% confidence level Daily Non-trading VaR at 95% confidence level for contracts that receive MtM accounting treatment Daily Non-trading VaR at 95% confidence level for contracts accounted for as hedges  Fair value of price risk management assets and liabilities (\$MM)  of trading and non trading activities) <sup>4</sup> Price risk management assets Price risk management liabilities Net Portfolio Value  Maturity of Fair Value of Trading Contracts at March 31, 2003 (\$MM)  Less than one year One to three years Four to five years Beyond five years Total  NEG Capitalization (consolidated) Debt to Capitalization Ratio (debt net of cash) Capitalization (\$MM)	\$33) (\$25) As of 3/31/2003 \$16 \$10 \$12 \$981 \$901 \$80 \$57 (\$79) (\$17) \$50 \$11 As of 3/31/2003 138.2%	\$45 \$42 \$12/31/2002 \$8 \$3 \$9 \$896 \$811 \$85 (\$43) (\$13) (\$28) \$62 (\$22)

Three Months Ended

 $<sup>^{\</sup>mbox{\tiny 1}}$  Owned and contolled capacity excludes assets to be abandoned and assets held for sale.

<sup>&</sup>lt;sup>2</sup> Non-trading MtM gains/(losses) include ineffective hedges associated with assets and contracts that no longer qualify for normal purchases and sales treatment under FAS 133.

The NEG expresses value-at-risk as a dollar amount of the potential loss in the fair value of the portfolios based on a 95% confidence level using a one-day liquidation period.

<sup>&</sup>lt;sup>4</sup> Balance excludes price risk management assets (liabilities) held for sale.