

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

**In re:**

\*

**NATIONAL ENERGY & GAS  
TRANSMISSION, INC. (f/k/a PG&E  
NATIONAL ENERGY GROUP, INC.), et al.**

\* Case No.: 03-30459 (PM) and 03-30461 (PM)  
through 03-30464 (PM) and 03-30686 (PM)  
\* through 03-30687 (PM)  
Chapter 11  
(Jointly Administered under  
\* Case No.: 03-30459 (PM))

**Debtors.**

\* \* \* \* \*

**FIRST AMENDED PLAN OF LIQUIDATION FOR THE  
ET DEBTORS AND THE QUANTUM DEBTORS\***

**Dated: March 3, 2005**

WILLKIE FARR & GALLAGHER LLP  
787 Seventh Avenue  
New York, New York 10019-6099  
(212) 728-8000

-and-

WHITEFORD, TAYLOR & PRESTON L.L.P  
Seven Saint Paul Street, Suite 1400  
Baltimore, Maryland 21202  
(410) 347-8700

Attorneys for the Debtors and Debtors-in-Possession

\*

The Energy Trading Debtors consist of: NEGT Energy Trading Holdings Corporation f/k/a PG&E Energy Trading Holdings Corporation; NEGT Energy Trading - Gas Corporation f/k/a PG&E Energy Trading - Gas Corporation; NEGT ET Investments Corporation f/k/a PG&E ET Investments Corporation; and NEGT Energy Trading - Power, L.P. f/k/a PG&E Energy Trading - Power, L.P. The Quantum Debtors consist of: Quantum Ventures; and Energy Services Ventures, Inc. f/k/a PG&E Energy Services Ventures, Inc.

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

**In re:**

\*

**NATIONAL ENERGY & GAS  
TRANSMISSION, INC. (f/k/a PG&E  
NATIONAL ENERGY GROUP, INC.), et  
al.**

\* Case No.: 03-30459 (PM) and 03-30461 (PM)  
through 03-30464 (PM) and 03-30686 (PM)  
\* through 03-30687 (PM)  
Chapter 11

**Debtors.**

(Jointly Administered under  
\* Case No.: 03-30459 (PM))

\* \* \* \* \*

**FIRST AMENDED PLAN OF LIQUIDATION FOR THE  
ENERGY TRADING DEBTORS AND THE QUANTUM  
DEBTORS<sup>1</sup>**

NEGT Energy Trading Holdings Corporation (“ET Holdings”), NEGT Energy Trading - Gas Corporation (“ET Gas”), NEGT ET Investments Corporation (“ET Investments”), NEGT Energy Trading - Power, L.P. (“ET Power”), Quantum Ventures (“Quantum”) and Energy Services Ventures, Inc. (“ESV”) hereby jointly propose the following First Amended Plan of Liquidation pursuant to section 1121(a), title 11, United States Code:

**ARTICLE I**

**DEFINITIONS**

1.1 “*Administrative Claim Bar Date*” means the date fixed pursuant to section 2.2 of the Plan by which all Entities asserting Administrative Claims arising in the period from July 8, 2003 through the Confirmation Date, inclusive, must have filed proofs of such Administrative

---

<sup>1</sup> The ET Debtors consist of: NEGT Energy Trading Holdings Corporation f/k/a PG&E Energy Trading Holdings Corporation; NEGT Energy Trading - Gas Corporation f/k/a PG&E Energy Trading - Gas Corporation; NEGT ET Investments Corporation f/k/a PG&E ET Investments Corporation; and NEGT Energy Trading - Power, L.P. f/k/a PG&E Energy Trading - Power, L.P. The Quantum Debtors consist of: Quantum Ventures; and Energy Services Ventures, Inc. f/k/a PG&E Energy Services Ventures, Inc.

Claims or requests for payment of such Administrative Claims or be forever barred from asserting such Administrative Claims against the Debtors, the Liquidating Debtors or their property, or such other date by which any such Administrative Claim must be filed as may be fixed by order of the Bankruptcy Court.

1.2 “*Administrative Claim*” means a Claim for payment of costs or expenses of administration specified in sections 503(b) and 507(a)(1) of the Bankruptcy Code, other than a Fee Claim.

1.3 “*Affiliate*” means “affiliate” as defined in section 101(2) of the Bankruptcy Code.

1.4 “*Allocated Affiliate Share*” means: (a) for Administrative Claims, Fee Claims, Priority Claims, or Priority Tax Claims with respect to which a particular Debtor is the sole primary obligor, the amount of such Claims; (b) for Administrative Claims, Fee Claims, Priority Claims, or Priority Tax Claims with respect to which multiple Debtors are primary obligors, an amount equal to, for each such Claim, the quotient of: (i) the amount of such Claims; *divided by* (ii) the number of Debtors primarily liable for such Claims; (c) with respect to the cost of administering the Liquidating Debtors, including, without limitation, fees and expenses of the Plan Administrator, the members of the Boards of Directors and, if any, the Third-Party Expert: (i) 25% of the amount of such fees and expenses for ET Holdings, ET Power and ET Gas; and (ii) 12.5% of the amount of such fees and expenses for ET Investments and ESV; and (d) with respect to each Secured Claim, a percentage equal to the quotient of: (i) the aggregate value of all collateral securing such Secured Claim; *divided by* (ii) the value of the applicable Debtor’s interest in any such collateral. With respect to subsection (c) hereof, in the event that any Debtor does not pay its Allocated Affiliate Share, the remaining Debtors will be jointly and severally liable to satisfy such obligation. With respect to subsection (b) hereof, in the event that any

Debtor primarily liable does not pay its Allocated Affiliated Share, the other Debtors primarily liable will be jointly and severally liable to satisfy such obligation.

1.5 “*Allowed*” means a Claim: (a) either (i) proof of which has been timely filed with the Bankruptcy Court or has been deemed timely filed by a Final Order; or (ii) if not so filed, scheduled by the Debtors other than as disputed, contingent or unliquidated; and (b) allowed by a Final Order, by this Plan, or because no party in interest timely has filed an objection, filed a motion to equitably subordinate, or otherwise sought to limit recovery on such Claim. An Allowed Claim shall not include interest accruing after the Petition Date on the amount of any Claim except as expressly provided herein.

1.6 “*Allowed [Class Designation/Type] Claim/Interest*” means a Claim that is Allowed in a specified class or of a specified type.

1.7 “*Available Cash*” means, collectively: (a) Class 3 Available Cash; (b) Class 4 Available Cash; (c) Class 5 Available Cash; (d) Class 6 Available Cash; and (e) Class 7 Available Cash.

1.8 “*Avoidance Actions*” means any actions or proceedings that may be instituted for the recovery of property pursuant to chapter 5 of the Bankruptcy Code (*e.g.*, 11 U.S.C. §§ 542, 544, 547, 548, 549, 550 or 553) or applicable state law, with respect to which the Debtors file a schedule of potential defendants with the Bankruptcy Court, no later than twenty (20) days before the commencement of the Confirmation Hearing.

1.9 “*Bankruptcy Code*” means title 11 of the United States Code (11 U.S.C. §§ 101 *et seq.*), as amended from time to time, as applicable to the Chapter 11 Cases.

1.10 “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Maryland (Greenbelt Division) or any other court or adjunct thereof exercising competent jurisdiction.

1.11 “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure (Fed. R. Bankr. Proc. 1001 *et seq.*), as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, and as applicable to these cases, and any Local Rules of the Bankruptcy Court, as in effect on the Petition Date and as amended after the Petition Date and as applicable to the Chapter 11 Cases.

1.12 “*Boards of Directors*” means, collectively, the boards of directors, as of the Effective Date, for: (i) ET Holdings (which board shall also act with the authority of the general partner of ET Power); (ii) ET Gas; (iii) ET Investments; and (iv) ESV.

1.13 “*Business Day*” means any day other than Saturday, Sunday or “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

1.14 “*Cash*” means cash and cash equivalents, including but not limited to bank deposits, checks, and other similar items.

1.15 “*Chapter 11 Cases*” means these jointly administered cases under chapter 11 of the Bankruptcy Code concerning the ET Debtors, the Quantum Debtors and National Energy & Gas Transmission, Inc., jointly administered under Case No. 03-30459 (PM).

1.16 “*Claim*” means a claim against any Debtor, as such term is defined in 101(5) of the Bankruptcy Code.

1.17 “*Claims Estimation Order*” means one or more orders (which may include the Confirmation Order) entered by the Bankruptcy Court that: (a) establishes any reserves necessary

to allow for distributions under the Plan; and/or (b) sets the amount of any particular Claim for final allowance purposes pursuant to sections 105 and 502(c) of the Bankruptcy Code.

1.18 “*Class*” means a category of Claims or Interests as provided for in Article III of the Plan.

1.19 “*Class [ ] Available Cash*” means, as of any given Distribution Date, all Cash in possession of ET Holdings, ET Power, ET Gas, ET Investments, or ESV, as applicable, net of any Cash necessary to: (a) pay its Allocated Affiliate Share of fees and expenses of the members of the Boards of Directors and the Plan Administrator; (b) pay its Allocated Affiliate Share of the expenses associated with the liquidation of the Liquidating Debtors; (c) establish, supplement, or maintain, appropriate reserves in connection with the foregoing; and (d) fund its Allocated Affiliate Share of Distributions to holders of Administrative Claims, Fee Claims, Secured Claims, Priority Claims, and Priority Tax Claims (or, in the case of those of such Claims that are Disputed Claims, to establish appropriate reserves).

1.20 “*Class [ ] Claim*” means a Claim that is in a specified class.

1.21 “*Committee Director*” means the individual appointed by the ET Committee to serve on the Boards of Directors.

1.22 “*Confirmation Date*” means the date the Bankruptcy Court enters an order confirming the Plan.

1.23 “*Confirmation Hearing*” means the hearing to be held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code.

1.24 “*Confirmation Order*” means the order to be entered by the Bankruptcy Court confirming this Plan in accordance with the provisions of the Bankruptcy Code.

1.25 “*Debtors*” means, collectively, the ET Debtors and the Quantum Debtors, and their respective estates.

1.26 “*Designated Disputed Claim*” means a Disputed Claim: (a) having a face value against the Debtors greater than \$3,000,000; (b) involving any past or present employee of any of the Debtors; or (c) involving any proceedings pending before the Federal Energy Regulatory Commission or identified in the Disclosure Statement under the heading “California Actions.”

1.27 “*Disclosure Statement*” means the disclosure statement relating to the Plan (including any exhibits and schedules annexed thereto or referred to therein), as may be altered, amended, supplemented, or modified from time to time, filed by the Debtors pursuant to section 1125 of the Bankruptcy Code.

1.28 “*Disputed Claim*” means any Claim that is not an Allowed Claim as of the relevant date.

1.29 “*Distribution*” means a payment made to holders of Claims pursuant to the Plan.

1.30 “*Distribution Date*” means any date that is the Initial Distribution Date, an Interim Distribution Date, or the Final Distribution Date.

1.31 “*Effective Date*” means the first Business Day on which all conditions to effectiveness of the Plan, have been satisfied and on which no stay of the Confirmation Order is in effect.

1.32 “*Entity*” means “entity” as defined in section 101(15) of the Bankruptcy Code.

1.33 “*ESV*” means Energy Services Ventures, Inc.

1.34 “*ET Committee*” means the Official Committee of Unsecured Creditors of the ET Debtors, appointed on July 21, 2003, as such committee may be reconstituted from time to time.

1.35 “*ET Debtors*” means, collectively, ET Holdings, ET Gas, ET Investments, and ET Power, and their respective estates.

1.36 “*ET Director*” means the individual appointed by the stockholders of ET Holdings, ET Gas, and ET Investments to serve on the Boards of Directors.

1.37 “*ET Gas*” means NEGT Energy Trading - Gas Corporation.

1.38 “*ET Holdings*” means NEGT Energy Trading Holdings Corporation.

1.39 “*ET Investments*” means NEGT ET Investments Corporation.

1.40 “*ET Power*” means NEGT Energy Trading - Power, L.P.

1.41 “*Face Amount*” means, respecting a Claim: (i) if the holder of such Claim has not filed a proof of claim by the applicable bar date and there is no Final Order fixing the allowed amount of such Claim, the amount of such Claim that is listed in the Schedules as undisputed, noncontingent and liquidated or, if no amount is listed, zero (\$0) dollars; (ii) if the holder of such Claim has filed a proof of claim by the applicable bar date, the liquidated amount as stated in such proof of claim, or, if no liquidated amount is listed, then zero (\$0) dollars unless such amount is allowed or estimated by order of the Bankruptcy Court; (iii) an amount fixed or estimated by order of the Bankruptcy Court; or (iv) in all other cases, zero (\$0) dollars.

1.42 “*Federal Judgment Rate*” means the interest rate specified by section 1961 of title 28 of the United States Code as being applicable to civil judgments entered on the Petition Date.

1.43 “*Fee Claim*” means any Claim against the Debtors of a professional person employed under section 327 or 1103 of the Bankruptcy Code or of an indenture trustee seeking compensation, indemnification or reimbursement of expenses by the Bankruptcy Court in accordance with sections 328, 330 and/or 331 of the Bankruptcy Code, and/or which is entitled



to the priority pursuant to section 503(b)(2), 503(b)(3)(F), 503(b)(4) or 503(b)(5) of the Bankruptcy Code.

1.44 “*Final Distribution*” means the distribution to be made by the Plan Administrator after all of the Liquidating Debtors’ assets have been reduced to Cash, abandoned or otherwise disposed of, and the Liquidating Debtors resolved all Disputed Claims and paid all Fee Claims approved by the Bankruptcy Court.

1.45 “*Final Distribution Date*” means the date upon which the Final Distribution occurs.

1.46 “*Final Order*” means an order, ruling or judgment, as entered by the Bankruptcy Court: (i) that has not been reversed, modified or amended, is not stayed; (ii) as to which the time to appeal from or to seek review or rehearing or petition for certiorari has expired; and (iii) that is no longer subject to review, reversal, modification or amendment; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules, may be filed relating to such order or judgment shall not cause such order or judgment not to be a “Final Order.”

1.47 “*General Unsecured Claim*” means any Claim against any of the Debtors, other than a Secured Claim, an Administrative Claim, a Fee Claim, a Priority Claim, a Priority Tax Claim, or a Subordinated Claim.

1.48 “*Impaired*” means any Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.49 “*Initial Distribution Date*” means the date of the first distribution by the Plan Administrator or its designee to the holders of Allowed General Unsecured Claims which shall

take place no later than forty-five (45) days after the Effective Date or such later date as may be established by the Bankruptcy Court.

1.50 “*Interest*” means any ownership interest or right to acquire any ownership interest in any of the Debtors or any other equity security (as defined in the Bankruptcy Code) in any of the Debtors.

1.51 “*Interim Distribution Date*” means any date after the Initial Distribution Date on which the Plan Administrator determines that an interim distribution should be made to holders of Allowed General Unsecured Claims in light of, *inter alia*, resolutions of Disputed Claims, aggregate Avoidance Action recoveries, and the administrative costs of such a distribution.

1.52 “*Liquidating Debtors*” means the Debtors and their estates from and after the Effective Date.

1.53 “*NEGT*” means National Energy & Gas Transmission, Inc., a debtor in the Chapter 11 Cases.

1.54 “*Pendency Interest*” means interest accruing as of the Petition Date and prior to the Effective Date.

1.55 “*Petition Date*” means: (a) July 8, 2003 for the ET Debtors; and (b) July 29, 2003 for the Quantum Debtors.

1.56 “*Plan*” means this plan under chapter 11 of the Bankruptcy Code (including all exhibits and schedules annexed hereto), as the same may be altered, amended, or modified from time to time (after the Confirmation Date, such amendments or modifications being effective only if approved by order of the Bankruptcy Court).

1.57 “*Plan Administrator*” means the responsible officer, acting in his or her capacity as such, retained by the respective Liquidating Debtors to serve as the sole officer of each of the

Liquidating Debtors who shall, among other things, implement the Plan pursuant to its terms and the terms of the Confirmation Order.

1.58 “*Plan Administrator Agreement*” means the agreement between the Plan Administrator and the Debtors setting forth the terms of the Plan Administrator’s employment.

1.59 “*Plan Supplement*” means the supplemental appendix to the Plan, filed prior to the Confirmation Hearing that may contain, among other things, the Plan Administrator Agreement, and the amended Charters and By-Laws for the Liquidating Debtors.

1.60 “*Priority Claim*” means any Claim to the extent entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code, other than an Administrative Claim, a Fee Claim, or a Priority Tax Claim.

1.61 “*Priority Tax Claim*” means any unsecured Claim, to the extent entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code.

1.62 “*Pro Rata*” means: (a) with respect to an Allowed Claim in all Classes other than Class 5, the same proportion that such Allowed Claim bears to: (i) the aggregate amount of Allowed Claims in the same Class as such Allowed Claim; plus (ii) the aggregate Face Amount of all Disputed Claims of such same Class (or amount to be used for these purposes as established by the Claims Estimation Order ), as reduced from time to time as and to the extent that such Disputed Claims become Allowed Claims or are disallowed or expunged; and (b) with respect to an Allowed Claim in Class 5, the same proportion that such Allowed Claim bears to: (i) the aggregate amount of Allowed Claims in Class 5 and Class 6 less the sum of \$175,458,921; plus (ii) the aggregate Face Amount of all Disputed Claims of such Classes (or amount to be used for these purposes as established by the Claims Estimation Order ), as reduced from time to

time as and to the extent that such Disputed Claims become Allowed Claims or are disallowed or expunged.

1.63 “*Quantum Debtors*” means Quantum Ventures and Energy Services Ventures, Inc. and their respective estates.

1.64 “*Remaining Available Class 5 Cash*” means, at any given Distribution Date, the amount of Class 5 Available Cash that remains after all Pro Rata Distributions are paid to or reserved for Class 5 creditors.

1.65 “*Reporting Period*” has the meaning ascribed to it in section 8.11 of the Plan.

1.66 “*Schedules*” means the schedules, as amended from time to time, of assets and liabilities filed by the Debtors with the Bankruptcy Court in accordance with sections 521 and 1106(a)(2) of the Bankruptcy Code.

1.67 “*Secured Claim*” means any Claim, or portion thereof, against any of the Debtors to the extent such Claim is secured within the meaning of section 506(a) or 1111(b) of the Bankruptcy Code.

1.68 “*Subordinated Claim*” means a Claim asserted against any of the Debtors subject to subordination pursuant to section 510 of the Bankruptcy Code.

1.69 “*Third-Party Expert*” means an independent (as defined in Rule 10A-3(b)(1)(ii) of the Securities Exchange Act of 1934, as amended) third party selected by the applicable Board of Directors to resolve a deadlock between the members of such Board of Directors.

## ARTICLE II

### UNIMPAIRED AND UNCLASSIFIED CLAIMS

2.1 *Administrative Claims.* Administrative Claims are unclassified under the Plan. Each holder of an Allowed Administrative Claim shall receive: (i) to the extent not already paid, Cash on the later of the Effective Date and the first Business Day after the date that is thirty (30)

calendar days after the date on which such Administrative Claim becomes an Allowed Administrative Claim in the full amount of such Allowed Administrative Claim; (ii) to the extent not yet due and payable, payment in accordance with the terms and conditions of the particular transaction giving rise to the Administrative Claim; (iii) to the extent such Claims are Administrative Claims of the United States Trustee for fees pursuant to 28 U.S.C. § 1930(a)(6), Cash in accordance with the applicable schedule for payment of such fees; or (iv) treatment on such other terms as may be mutually agreed upon in writing between the holder of such Allowed Administrative Claim and the relevant Debtor, prior to the Effective Date, or the Plan Administrator, on or after the Effective Date; *provided, however*, that interim and/or final payment of Allowed Administrative Claims approved by the Bankruptcy Court shall be paid at the time of and in accordance with such Bankruptcy Court approval.

2.2 *Administrative Claim Bar Date.* ADMINISTRATIVE CLAIM REQUESTS RESPECTING ADMINISTRATIVE CLAIMS THAT HAVE ARISEN OR WILL ARISE IN THE PERIOD FROM THE PETITION DATE THROUGH THE CONFIRMATION DATE, INCLUSIVE, MUST BE FILED AND SERVED PURSUANT TO THE PROCEDURES SET FORTH IN THE CONFIRMATION ORDER AND/OR NOTICE OF ENTRY OF CONFIRMATION ORDER, NO LATER THAN FORTY FIVE (45) DAYS AFTER THE CONFIRMATION DATE (unless an earlier date is set by the Bankruptcy Court).

Notwithstanding anything to the contrary herein, no Administrative Claim request need be filed for the allowance of any: (a) Fee Claims; or (b) fees of the United States Trustee arising under 28 U.S.C. § 1930. Any Entities that are required to but fail to file such an Administrative Claim request on or before the deadline referenced above shall be forever barred from asserting such Claim against any of the Debtors, the Liquidating Debtors, or any of their respective property,

officers, or directors, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.

2.3 *Fee Claims.* Fee Claims are unclassified under the Plan. Each holder of an Allowed Fee Claim shall receive, in Cash, to the extent not already paid, the amounts allowed by the Bankruptcy Court: (a) on or as soon as practicable following the date upon which the Bankruptcy Court order allowing such Allowed Fee Claim is issued; or (b) upon such other terms as may be mutually agreed upon between the holder of such Allowed Fee Claim on one hand, and the relevant Debtors on the other hand. Any and all parties requesting allowance and/or payment of a Fee Claim for any period ending on or before the Effective Date must file and serve final applications therefor no later than forty-five (45) days after the Effective Date.

2.4 *Priority Tax Claims.* Priority Tax Claims are unclassified under the Plan. On the later of the Effective Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Priority Tax Claim becomes an Allowed Claim, such Claim shall be paid in full, in Cash; *provided, however*, that each Debtor shall have the option, exercisable upon written notice to the relevant Priority Tax Claim holder sent prior to the Effective Date, to pay any Priority Tax Claim over a period not longer than six (6) years from the date of assessment of the applicable tax, with interest on the unpaid portion payable annually in arrears at the rate of interest ordered by the Bankruptcy Court (or agreed to by the holder of the Claim and the relevant Debtor).

### ARTICLE III

#### CLASSIFICATION OF CLAIMS AND INTERESTS

For purposes of the Plan, Claims are classified as follows:

3.1 *Class 1 Claims.* Class 1 contains all Secured Claims, with each such Claim secured by different collateral to be a separate subclass for all purposes under the Plan.

- 3.2 *Class 2 Claims.* Class 2 contains all Priority Claims.
- 3.3 *Class 3 Claims.* Class 3 contains all General Unsecured Claims against ET Gas.
- 3.4 *Class 4 Claims.* Class 4 contains all General Unsecured Claims against ET Investments.
- 3.5 *Class 5 Claims.* Class 5 contains all General Unsecured Claims against ET Holdings.
- 3.6 *Class 6 Claims.* Class 6 contains all General Unsecured Claims against ET Power.
- 3.7 *Class 7 Claims.* Class 7 contains all General Unsecured Claims against ESV.
- 3.8 *Class 8 Claims.* Class 8 contains all General Unsecured Claims against Quantum.
- 3.9 *Class 9 Claims.* Class 9 contains all Subordinated Claims.
- 3.10 *Class 10 Interests.* Class 10 contains all Interests in ET Gas.
- 3.11 *Class 11 Interests.* Class 11 contains all Interests in ET Investments.
- 3.12 *Class 12 Interests.* Class 12 contains all Interests in ET Holdings, ET Power, ESV and Quantum.
- 3.13 *Elimination of Classes for Voting Purposes.* Any Class of Claims that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily Allowed under Rule 3018 of the Bankruptcy Rules or as to which no vote is cast shall be deemed deleted from the Plan for purpose of voting on acceptance or rejection of the Plan by any such Class under section 1129(a)(8) of the Bankruptcy Code.

#### ARTICLE IV

##### TREATMENT OF CLASSES OF CLAIMS OR INTERESTS

- 4.1 *Class 1 - Secured Claims.* Class 1 is Impaired. Each Claim in Class 1 shall be treated as a separate subclass for voting and distribution purposes under the Plan.

(a) *Election of Alternative Treatments.* At the election of the Debtors or the Plan Administrator, as applicable, on or before the later of the Effective Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 1 Claim becomes an Allowed Claim, such Claim shall be satisfied in full by either:

- (i) reinstating the Claim, that is, leaving unaltered the legal, equitable, and contractual rights respecting such Claim in accordance with section 1124 of the Bankruptcy Code, including: (A) curing all pre- and postpetition defaults other than defaults relating to the insolvency or financial condition of the Debtors or its status as a debtor under the Bankruptcy Code; and (B) reinstating the maturity date of the Claim;
- (ii) paying such Claim in full, in Cash, in an amount equal to such Allowed Class 1 Claim on the Effective Date or as soon as reasonably practicable thereafter; or
- (iii) transferring title to the property securing such Allowed Class 1 Claim to the holder of such Claim. Within thirty (30) days after mailing by the Plan Administrator of notice of the election of this option (iii), the holder of an Allowed Class 1 Claim shall be entitled to amend in writing or file a proof of claim for any unsecured deficiency Claim respecting such Claim (to the extent such holder has recourse to a Debtor respecting such Class 1 Claim, and provided the holder has timely filed a proof of claim respecting such Class 1 Claim or whose Class 1 Claim was listed in the Schedules as nondisputed, noncontingent, and liquidated). To the extent, if any, allowed, such deficiency claim shall be treated in Class 3, Class 4 and Class 5, as appropriate.

4.2 *Class 2 - Priority Claims.* Class 2 is not Impaired. On the later of the Effective Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 2 Claim becomes an Allowed Class 2 Claim, such Claim shall be paid in full, in Cash.

4.3 *Class 3 - General Unsecured Claims against ET Gas.* Class 3 shall be treated as Impaired under the Plan and, accordingly, will be given the right to vote on the Plan. On the later of the Effective Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 3 Claim becomes an Allowed Class 3 Claim, in full



settlement, satisfaction, and payment of all Allowed Class 3 Claims, each holder of an Allowed Class 3 Claim shall receive Cash in an amount equal to one hundred (100) percent of its Allowed Class 3 Claim plus Pendency Interest at the Federal Judgment Rate. In the event that Class 3 votes to reject the Plan, the Debtors reserve their right to contend that such class is Unimpaired and, accordingly, should be deemed to have accepted the Plan.

4.4 *Class 4 - General Unsecured Claims against ET Investments.* Class 4 shall be treated as Impaired under the Plan and, accordingly, will be given the right to vote on the Plan. On the later of the Effective Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 4 Claim becomes an Allowed Class 4 Claim, in full settlement, satisfaction, and payment of all Allowed Class 4 Claims, each holder of an Allowed Class 4 Claim shall receive Cash in an amount equal to one hundred (100) percent of its Allowed Class 4 Claim plus Pendency Interest at the Federal Judgment Rate. In the event that Class 4 votes to reject the Plan, the Debtors reserve their right to contend that such class is Unimpaired and, accordingly, should be deemed to have accepted the Plan.

4.5 *Class 5 - General Unsecured Claims against ET Holdings.* Class 5 is Impaired and is entitled to vote on the Plan. On the later of each Distribution Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 5 Claim becomes an Allowed Class 5 Claim, in full settlement, satisfaction, and payment of all Allowed Class 5 Claims, each holder of an Allowed Class 5 Claim shall receive its Pro Rata share of Class 5 Available Cash; *provided, however*, that if and to the extent that any Class 5 Claim is based upon ET Holdings's status as a general partner of ET Power, or on account of any Claims arising from guaranties by ET Holdings of obligations of ET Power, then the Distribution to be made to, or, in the case of a Disputed Claim, reserved for, the holder of such Class 5 Claim

shall be reduced by the amount of any Remaining Available Class 5 Cash received by, or, in the case of a Disputed Claim, reserved for, such holder (or its assigns) on account of its corresponding Allowed Class 6 Claim.

4.6 *Class 6 - General Unsecured Claims against ET Power.* Class 6 is Impaired and is entitled to vote on the Plan. On the later of each Distribution Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 6 Claim becomes an Allowed Class 6 Claim, in full settlement, satisfaction, and payment of all Allowed Class 6 Claims, each holder of an Allowed Class 6 Claim shall receive its Pro Rata share of Class 6 Available Cash, as well as its corresponding ratable share of the Remaining Available Class 5 Cash.

4.7 *Class 7 - General Unsecured Claims against ESV.* Class 7 is Impaired and is entitled to vote on the Plan. On the later of each Distribution Date or as soon as reasonably practicable thereafter and thirty (30) Business Days after the date on which a Class 7 Claim becomes an Allowed Class 7 Claim, in full settlement, satisfaction, and payment of all Allowed Class 7 Claims, each holder of an Allowed Class 7 Claim shall receive its Pro Rata share of Class 7 Available Cash.

4.8 *Class 8 - General Unsecured Claims against Quantum.* Class 8 shall receive no distributions under the Plan. Class 8 is deemed to have rejected the Plan.

4.9 *Class 9 - Subordinated Claims.* Class 9 is Impaired. Class 9 Claims shall receive no distributions under the Plan. Class 9 is deemed to have rejected the Plan.

4.10 *Class 10 - Interests in ET Gas.* Class 10 is Impaired. Holders of Interests in ET Gas shall receive all Class 3 Available Cash remaining after all Class 3 Allowed Claims have been paid in accordance with the Plan and all Disputed Claims in Class 3 have been reserved for.

Such Interests shall be retained until the dissolution of the respective Liquidating Debtors in accordance with the terms of the Plan, upon which dissolution the respective Interests shall be deemed canceled.

4.11 *Class 11 - Interests in ET Investments.* Class 11 is Impaired. Holders of Interests in ET Investments shall receive all Class 4 Available Cash remaining after all Class 4 Allowed Claims have been paid in accordance with the Plan and all Disputed Claims in Class 4 have been reserved for. Such Interests shall be retained until the dissolution of the respective Liquidating Debtors in accordance with the terms of the Plan, upon which dissolution the respective Interests shall be deemed canceled.

4.12 *Class 12 - Other Interests.* Class 12 is Impaired. Subject to section 8.5 hereof, holders of Interests in ET Holdings, ET Power, ESV, and Quantum are not entitled to, and shall not receive, a Distribution on account of such Interests pursuant to the Plan. Such Interests shall be retained until the dissolution of the respective Liquidating Debtors in accordance with the terms of the Plan, upon which dissolution the respective Interests shall be deemed canceled.

## ARTICLE V

### PROVISIONS FOR TREATMENT OF DISPUTED CLAIMS

5.1 *Prosecution of Disputed Claims.* On and after the Effective Date, only the Liquidating Debtors shall have the right to object to Claims including, without limitation, those Claims that are not listed in the Schedules, are listed therein as disputed, contingent or unliquidated in amount, or are listed therein at a different amount than asserted in the proof of claim. Subject to further extension by the Bankruptcy Court, the Liquidating Debtors shall file objections to the allowance of Claims on or before one hundred and twenty (120) days after the Effective Date (or such later deadline as the Bankruptcy Court may establish). The respective

Liquidating Debtors may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 105 and/or 502(c) of the Bankruptcy Code, regardless of whether the Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any such contingent or unliquidated Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the amount of such Claim or a maximum limitation on the amount of such Claim, as determined by the Bankruptcy Court, to the extent permissible under the Bankruptcy Code. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Liquidating Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment or distribution on such Claim.

5.2 *Distribution on Disputed Claims.* No partial payments and no partial distributions shall be made with respect to a Disputed Claim until such Disputed Claim becomes an Allowed Claim. In the event, and to the extent, a Disputed Claim becomes an Allowed Claim after the Effective Date, the holder of such Allowed Claim shall receive all payments and/or distributions to which such holder is then entitled under the Plan.

5.3 *Reserve for Disputed Claims.* With respect to Claims to be paid by the Plan, the Plan Administrator shall hold in reserve, for the benefit of each holder of a Disputed Claim, Cash in an amount required by order of the Bankruptcy Court (including, without limitation, any Claims Estimation Order) or, in the absence of such order, Cash equal to the distributions which would have been made to the holder of such Disputed Claim, if it were an Allowed Claim in the liquidated amount, if any, asserted on the Effective Date. If and to the extent that a Disputed

Claim becomes an Allowed Claim, on the first Distribution Date that is at least thirty (30) Business Days after such allowance, the Plan Administrator shall distribute to the holder thereof the amount of Cash to which such holder is entitled under the provisions of this Plan. If a Disputed Claim is disallowed, in whole or in part, pursuant to a Final Order, on the first Distribution Date that is at least thirty (30) Business Days after such disallowance, the Plan Administrator shall: (a) first, reallocate Cash that had been reserved on account of such disallowed Disputed Claim to the holders of then Allowed and Disputed Claims in such Class (or, in the case of ET Gas and ET Investments, to the holders of Interests in such Debtor); and (b) second, distribute to each holder of an Allowed Claim in such Class and allocate to the reserves established for remaining Disputed Claims in such Class, Pro Rata, the Cash that has been so reallocated to such Class in accordance with clause (a) of this section (or, in the case of ET Gas and ET Investments, distribute such Cash to the holders of Interests in ET Gas or ET Investments, as applicable).

5.4 *Delivery of Distributions.* Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made at the address set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Liquidating Debtors or their agents, unless the Debtors or the Plan Administrator, as applicable, have been notified in writing of a change of address, including, without limitation, by the filing of a proof of claim or Administrative Claim request that contains an address for a holder of a Claim different from the address reflected on such Schedule(s) for such holder.

## ARTICLE VI

### EXECUTORY CONTRACTS AND UNEXPIRED LEASES

#### 6.1 *Rejection.*

(a) *Leases and Contracts to be Rejected.* On the Confirmation Date, but subject to the occurrence of the Effective Date, the Debtors, pursuant to section 365 of the Bankruptcy Code, shall reject all of their executory contracts and unexpired leases except those that: (i) are the subject of motions to assume or reject pending on the Confirmation Date; (ii) were assumed or rejected before the Confirmation Date; (iii) are listed on Schedule 6.2 annexed hereto; or (iv) become the subject of a dispute over the amount or manner of cure and for which the Debtors make a motion, at any time, to reject such contract or lease based upon the existence of such dispute; *provided, however*, that the Debtors shall not be required to assume or reject any executory contract or unexpired lease with any party that is a debtor under the Bankruptcy Code unless and until such contract or lease has been assumed or rejected by such other party.

(b) *Effect of Post-Confirmation Rejection.* The entry by the Bankruptcy Court on or after the Confirmation Date of an order authorizing the rejection of an executory contract or unexpired lease shall result in such rejection being a prepetition breach under sections 365(g) and 502(g) of the Bankruptcy Code.

(c) *Deadline to File Rejection Damage Claims.* Each Entity who is a party to a contract or lease rejected under the Plan must file with the Bankruptcy Court and serve on the Plan Administrator, not later than thirty (30) days after the Effective Date, a proof of claim for damages alleged to arise from the rejection of the applicable contract or lease or be forever barred from filing a Claim, or sharing in distributions under the Plan, related to such alleged rejection damages.

#### 6.2 *Assumption.*

(a) *Leases and Contracts to be Assumed.* Annexed hereto as Schedule 6.2 is a list of the executory contracts and unexpired leases deemed to be assumed by the Debtors under the Plan as of the Confirmation Date (but subject to the occurrence of the Effective Date) pursuant to section 365 of the Bankruptcy Code, and the cure amounts necessary for such assumptions.

(b) *Deadline to Object to Cure Amounts.* If prior to the Confirmation Date or such other date as the Bankruptcy Court may fix, a party to such an executory contract or unexpired lease listed on Schedule 6.2 hereto fails to file with the Bankruptcy Court and serve upon the attorneys for the Debtors an objection to the applicable cure amount listed on such Schedule, then such party shall be forever barred from asserting any additional or other amounts against the Debtors respecting such cure amount.

(c) *Method of Cure.* At the election of the Liquidating Debtors, any monetary defaults under each executory contract and unexpired lease to be assumed under this Plan shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, in one of the following ways: (a) by payment of the default amount in Cash within forty-five (45) days after the Effective Date or such longer period ordered by the Bankruptcy Court; or (b) on such other terms as may be agreed to by the parties to such executory contract or unexpired lease. If a dispute occurs regarding: (x) the cure amount; (y) the ability of the Liquidating Debtors to provide adequate assurance of future performance under the contract or lease to be assumed; or (z) any other matter pertaining to assumption, then the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving assumption. Notwithstanding anything herein to the contrary, the Debtors shall retain their right to reject any executory contract or unexpired lease that is subject to a dispute

concerning amounts necessary to cure any defaults, until thirty (30) days following entry of a Final Order establishing the cure amount.

## ARTICLE VII

### MEANS OF IMPLEMENTATION OF THE PLAN

7.1 *Dissolution of Quantum.* Prior to the Effective Date, Quantum shall file appropriate certificates of dissolution with the appropriate governmental authorities under applicable law. Any assets of Quantum in existence as of the Effective Date shall be distributed in accordance with the rules of absolute priority.

7.2 *Transfer of Powers.*

(a) *Directors and Officers.* Immediately prior to the Effective Date, the authority, power and incumbency of the persons then acting as directors and officers of the Debtors shall be terminated and such directors and officers shall be deemed to have resigned.

(b) *Post-Effective Date Management of the Liquidating Debtors.* On the Effective Date, each of the Boards of Directors will be comprised of: (i) the ET Director; and (ii) the Committee Director. The ET Director and the Committee Director may be removed from office by and in the sole and absolute discretion of the stockholders of the respective ET Debtors (in the case of the ET Director) or the ET Committee (in the case of the Committee Director). A resulting vacancy shall be filled by a replacement director elected by the stockholders of the respective ET Debtors (in the case of the ET Director) or by the ET Committee (in the case of the Committee Director). The stockholders of the Liquidating Debtors shall vote their shares so as to give effect to the ET Committee's right to appoint the Committee Director.

(c) *Quorum and Voting:* The presence of both the ET Director and the Committee Director shall constitute a quorum for the transaction of business and any action by any of the Boards of Directors shall require the unanimous vote or consent of both directors. In the event



that the ET Director and the Committee Director are unable to agree upon and approve a particular action, they shall attempt to resolve the deadlock in the following manner: (i) the two directors shall use all reasonable, good faith efforts to select, as expeditiously as possible, a Third-Party Expert; and (ii) the Third-Party Expert shall, at the expense of the Liquidating Debtors, take such time and make such efforts as are necessary and appropriate in his or her judgment to understand the proposed action under consideration and make a recommendation in resolution of the deadlock. Any such recommendation shall be made in writing and shall set forth the reasons therefor. Each of the directors shall vote for or against the proposed action based on such recommendation, except that: (x) the applicable Board of Directors, by the unanimous vote or consent of the ET Director and the Committee Director, may decide against taking the proposed action, notwithstanding such recommendation by the Third-Party Expert; and (y) the ET Director or the Committee Director shall not be required to provide any such vote if such director believes, after consultation with counsel, that such vote could authorize actions not consistent with applicable law or could constitute a violation of the fiduciary duties of such director. In such event, the ET Director or the Committee Director, as the case may be, may decide against authorizing the proposed action. The Third-Party Expert shall not under any circumstances be deemed to be a director of the Liquidating Debtors but, for purposes of assisting in the resolution of the deadlock, shall make a recommendation that it believes to be in the best interests of the Liquidating Debtors and appropriate for action by the applicable Board of Directors, taking into account the provisions of the Plan and applicable law.

(d) *Board Approval Required for Certain Transactions.* Unless otherwise ordered by the Bankruptcy Court, the Liquidating Debtors shall not satisfy, settle or consent to the allowance of any Designated Disputed Claim by a creditor against a Liquidating Debtor unless

the satisfaction, settlement or allowance of such Designated Disputed Claim shall have been approved by the applicable Board of Directors.

(e) *Charter and Bylaw Amendments.* The charter, bylaws and/or other constituent documents and agreements of each Liquidating Debtor shall be revised as necessary and appropriate to comport with the terms of the Plan.

(f) *Plan Administrator.* The Plan Administrator shall at all times serve at the direction of the Boards of Directors and in accordance with the terms of the Plan. Without limiting the foregoing, the Plan Administrator shall have the primary duties of:

- (i) negotiating settlements with creditors;
- (ii) compromising or settling all Claims;
- (iii) making all Distributions of Cash pursuant to the Plan to holders of Allowed Claims entitled to receive Cash under the Plan, subject to approval of the applicable Board of Directors;
- (iv) objecting to Claims;
- (v) investing cash in a reasonable and prudent manner;
- (vi) entering into any agreement or executing any document required by or consistent with the Plan and perform all of the Liquidating Debtors' obligations thereunder;
- (vii) purchasing or creating and carrying all insurance policies and paying all insurance premiums and costs it deems necessary or advisable;
- (viii) prosecuting Avoidance Actions;
- (ix) implementing and/or enforcing all provisions of the Plan;
- (x) converting any remaining non-cash assets into cash in a manner consistent with the Plan and applicable law;
- (xi) at a time to be determined by the Boards of Directors, causing the dissolution of the Liquidating Debtors and seeking entry of a final decree of the Bankruptcy Court closing the Chapter 11 Cases;
- (xii) advising the Boards of Directors with regard to the foregoing; and

- (xiii) taking and performing such other actions and duties as are necessary or appropriate to implement the Plan pursuant to its terms and the terms of the Confirmation Order.

7.3 *Resignation, Death or Removal of Plan Administrator.* The Plan Administrator may resign at any time subject to the terms and conditions of the Plan Administrator Agreement. The initial Plan Administrator shall serve for the term indicated in the Plan Administrator Agreement. The Plan Administrator may be removed from office with or without cause by the Boards of Directors, subject to the terms of the Plan Administrator Agreement. Following completion of the initial Plan Administrator's term, or in the event of the death, resignation, or removal of the Plan Administrator that occurs prior to the dissolution of the Liquidating Debtors pursuant to the Plan, the Boards of Directors shall appoint a new Plan Administrator. The appointment of the successor Plan Administrator (or any successor thereto) shall be subject to approval of the Bankruptcy Court, and shall be on terms and conditions to be approved by the Bankruptcy Court. No successor Plan Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of any of his or her predecessors.

7.4 *Governance Action.* Subject to section 7.2(c) hereof, any action under the Plan to be taken by or required of the Boards of Directors shall be authorized and approved in all respects, without any requirement of further action by the directors, shareholders, or general partners of any of the Debtors or the Liquidating Debtors.

7.5 *Effectuating Documents and Further Transactions.* The Debtors shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan.

7.6 *Notice and Hearing on Tolling Agreement Claims.* The Bankruptcy Court shall retain jurisdiction to hear any settlement and compromise of claims based upon tolling

agreements. Any settlement and compromise shall proceed on a “negative notice” basis and shall afford parties in interest not less than twenty (20) days opportunity to object to the proposed action. Unless otherwise directed by the Bankruptcy Court, no hearing on such motion shall be held unless an objection is timely filed thereto.

7.7 *Retention of Causes of Action.* Except as expressly provided herein, on the Effective Date, the Debtors’ rights in respect of existing and potential Avoidance Actions shall be preserved and become property of the Liquidating Debtors. On the Effective Date, the Liquidating Debtors shall be authorized and empowered to commence and prosecute any and all causes of action that could have been asserted by the Debtors. **All Avoidance Actions shall survive confirmation and the commencement or prosecution of avoidance actions shall not be barred or limited by any estoppel, whether judicial, equitable, or otherwise.**

7.8 *Revesting of Assets.* Except as otherwise provided in this Plan, on the Effective Date, all property comprising the estates of the Debtors shall vest in the Liquidating Debtors, free and clear of all claims, liens, charges, encumbrances and interests of creditors and equity security holders (except: (a) to the extent of any valid right of setoff permitted by section 553 of the Bankruptcy Code; (b) to the extent that such claims, liens, charges, encumbrances and/or interests have been reinstated; or (c) as otherwise expressly provided herein).

## ARTICLE VIII

### DISTRIBUTIONS

8.1 *Distribution of Cash by Plan Administrator.* All distributions of Cash pursuant to the Plan shall be made by the Liquidating Debtors or a duly appointed disbursing agent to the holders of Allowed Claims entitled to receive Cash under the Plan. All distributions of Cash under the Plan may be made either by check or by wire transfer, at the option of the Liquidating

Debtors. Except as otherwise provided in the Plan, all distributions of Cash shall be made on the later of the Effective Date (or, in the case of Available Cash, on the Initial Distribution Date and each subsequent Distribution Date) or the Business Day which is thirty (30) days after the date upon which such Claim becomes an Allowed Claim, or as soon thereafter as practicable; *provided, however*, that on the Effective Date, ET Holdings shall make a Pro Rata Distribution to ET Gas on account of any Allowed Claims of ET Gas against ET Holdings, if and to the extent necessary to permit ET Gas to satisfy its obligations to holders of Allowed Class 3 Claims under this Plan.

8.2 *Setoffs.* The Liquidating Debtors may, but shall not be required to, set off or recoup, in accordance with applicable law, against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim, claims of any nature that the Liquidating Debtors may have against the holder of such Allowed Claim; *provided, however*, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim against the Liquidating Debtors shall constitute a waiver or release by the Liquidating Debtors of any claim that the Debtors or the Liquidating Debtors may possess against such holders.

8.3 *Unclaimed Property.* If a Distribution under the Plan remains unclaimed twelve (12) months following the date of such Distribution, then the holder of the applicable Allowed Claim shall cease to be entitled to such Distribution and such Distribution shall be retained by the relevant Liquidating Debtor and treated as Available Cash.

8.4 *Distributions on Non-Business Days.* Any payment or Distribution due on a day other than a Business Day shall be made, without interest, on the next Business Day.

8.5 *No Distribution in Excess of Allowed Amount of Claim.* Notwithstanding anything to the contrary herein, no holder of an Allowed Claim shall receive, respecting such

Claim, any Distribution (of a value set forth herein) in excess of the allowed amount of such Claim, plus Pendency Interest to the extent expressly provided for herein. If, at any point, the Distribution of the Remaining Available Class 5 Cash to holders of Class 6 Claims would cause a holder of a Class 6 Claim to receive more than the allowed amount of such Claim, the excess shall be distributed ratably to holders of Class 5 Claims. Similarly, if at any point, all Allowed Claims have been paid in full, and all Disputed Claims have been resolved and, to the extent allowed, paid in full, then any residual Available Cash held by the respective Debtors shall be distributed to the applicable holders of Interests in such Debtors. Except as expressly provided herein, no Claim shall be allowed to the extent that it is for postpetition interest.

8.6 *Disputed Payments.* If any dispute arises as to the identity of the holder of an Allowed Claim entitled to receive any Distribution under the Plan, the Liquidating Debtors may retain such Distribution until its disposition is determined by a Final Order or written agreement among the interested parties to such dispute and withhold from such Distribution an amount equal to the fees and costs incurred by the Liquidating Debtors in resolving such dispute.

8.7 *Preservation of Insurance.* Nothing in this Plan shall diminish or impair the enforceability of any policies of insurance that may cover Claims against the Debtors or any other Entity.

8.8 *Withholding Taxes.* Any federal or state withholding taxes or other amounts required to be withheld under any applicable law shall be deducted and withheld from any Plan distributions.

8.9 *De Minimis Distributions.* No Cash payment of less than \$500 shall be required to be made to the holder of any Claim until the Final Distribution Date for the relevant class.

8.10 *No Recourse.* No claimant shall have recourse to the Plan Administrator, the Boards of Directors or the Liquidating Debtors other than for the enforcement of rights or Distributions.

8.11 *Quarterly Reports.* Not later than forty-five (45) days following: (i) the last day of the third full calendar month following the Effective Date; and (ii) the last day of every third calendar month thereafter (each of (i) and (ii), a “Reporting Period”), the Liquidating Debtors shall file a report with the Bankruptcy Court that separately discloses, for the applicable Reporting Period: (a) compensation paid to the Plan Administrator; (b) any fees and expenses paid to members of the Boards of Directors; (c) amounts paid to the Liquidating Debtors’ professionals; (d) amounts paid to ET Committee professionals; (e) amounts paid in satisfaction of other post-Effective Date expenses of the Liquidating Debtors; (f) the amounts of any Distributions paid to holders of Administrative Claims, Priority Claims, Priority Tax Claims, and Secured Claims; (g) the amount of any Distributions paid to holders in each Class of General Unsecured Claims; (h) the amounts held in reserve by the Plan Administrator on account of each of the foregoing as of the conclusion of the Reporting Period, including reserves for Disputed Claims; (i) the number and aggregate Face Amount of Disputed Claims compromised, adjudicated, or otherwise resolved during the Reporting Period; (j) the number and aggregate Face Amount of Disputed Claims remaining; and (k) such other information as the Liquidating Debtors may deem necessary or appropriate to keep the Bankruptcy Court and interested parties generally apprised of the status of Liquidating Debtors’ cases.

## ARTICLE IX

### RELEASE, INDEMNIFICATION, ABANDONMENT, AND SETTLEMENT OF CLAIMS

9.1 *Release of Securities.* Each holder of any Claim shall surrender to the Debtors or the Liquidating Debtors, as applicable, any note, instrument, document, certificate, subordinated note, agreement, certificated security or other item, if any, evidencing such Claim. No Distribution hereunder shall be made to or on behalf of any holder of a Claim unless and until such holder executes and delivers to the Debtors or the Liquidating Debtors such items described above, or demonstrates non-availability of such items to the satisfaction of the Debtors or the Liquidating Debtors, as the case may be, including requiring such holder (i) to post a lost instrument or other indemnity bond, among other things and (ii) to hold the Debtors, the Liquidating Debtors, and the Plan Administrator harmless in respect of such instrument or other item described above and any Distributions made in respect thereof. The Liquidating Debtors may reasonably require the holder of such Claim to hold the Liquidating Debtors and the Plan Administrator harmless up to the amount of any Distribution made in respect of such unavailable note, instrument, document, certificate, subordinated note, agreement, certificated security or other item evidencing such Claim. Any such holder that fails to execute and deliver such release of liens or other items described above or satisfactorily explain their non-availability to the Plan Administrator within 180 days of the Effective Date shall be deemed to have no further claim against the Liquidating Debtors or their property in respect of such Claim and shall not participate in any Distribution hereunder, and the Distribution that would otherwise have been made to such holder shall be treated as Unclaimed Property.



9.2 *Satisfaction of Claims and Interests.* The treatment to be provided for respective Allowed Claims pursuant to this Plan shall be in full satisfaction, settlement, release and discharge of such respective Claims or Interests.

9.3 Release. The following release shall be valid, binding, and enforceable:

**AS OF THE CONFIRMATION DATE, BUT SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE, NONE OF: (i) THE PLAN ADMINISTRATOR, THE DEBTORS, THE LIQUIDATING DEBTORS, THEIR SUCCESSORS AND ASSIGNS; (ii) PRESENT DIRECTORS AND OFFICERS; (iii) FORMER DIRECTORS AND OFFICERS WHO HELD SUCH POSITION WITH THE DEBTORS AS OF OR SINCE THE PETITION DATE; AND (iv) AGENTS, ATTORNEYS, ADVISORS, FINANCIAL ADVISORS, INVESTMENT BANKERS AND EMPLOYEES OF THE DEBTORS, SHALL HAVE OR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY CLAIM, OBLIGATION, RIGHT, CAUSE OF ACTION OR LIABILITY (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS ARISING OUT OF ANY ALLEGED FIDUCIARY OR OTHER DUTY AND THE AVOIDANCE OF PREFERENCES OR FRAUDULENT CONVEYANCES OR ANY GUARANTY ISSUED BY ANY OF THE DEBTORS), WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, BASED IN WHOLE OR IN PART ON ANY ACT OR OMISSION, TRANSACTION OR OCCURRENCE FROM THE BEGINNING OF TIME THROUGH THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTORS; AND ALL CLAIMS BASED UPON OR ARISING OUT OF SUCH ACTIONS OR OMISSIONS SHALL BE FOREVER WAIVED AND RELEASED (OTHER THAN THE RIGHT TO ENFORCE THE DEBTORS' OR THE**

**LIQUIDATING DEBTORS' OBLIGATIONS UNDER THE PLAN); *provided, however,* THAT THIS SECTION SHALL HAVE NO EFFECT ON THE LIABILITY OF ANY ENTITY THAT OTHERWISE WOULD RESULT FROM ANY ACTION OR OMISSION TO THE EXTENT THAT SUCH ACTION OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT.**

**THE RELEASE DESCRIBED ABOVE SHALL BE ENFORCEABLE AS A MATTER OF CONTRACT AGAINST ANY HOLDER OF A CLAIM TIMELY NOTIFIED OF THE PROVISIONS OF THE PLAN. CLAIMANTS OF THE DEBTORS SHALL BE ENJOINED FROM COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS OR ACT TO COLLECT, OFFSET OR RECOVER ANY CLAIM THAT IS RELEASED AS PROVIDED HEREIN.**

9.4 *Postconfirmation Activity.* As of the Effective Date, the Liquidating Debtors may conclude the wind-down of their businesses (including by operating the Liquidating Debtors' businesses to the limited extent reasonably necessary or appropriate to effectuate such wind-down), and settle and compromise claims or interests without supervision of the Bankruptcy Court free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and Confirmation Order. Without limiting the foregoing, the Liquidating Debtors may pay any charges they incur for taxes, professional fees, disbursements, expenses, or related support services after the Confirmation Date without any application to the Bankruptcy Court.

9.5 *Survival of Certain Indemnification Obligations.* The obligations of the Debtors to indemnify individuals who serve or served after the Petition Date as the Debtors' respective directors, officers, agents, employees, representatives, and others, including (without limitation)

professional persons retained by the Debtors, pursuant to the Debtors' respective certificates of incorporation, by-laws, applicable statutes and preconfirmation agreements in respect of all present and future actions, suits and proceedings against any of such officers, directors, agents, employees, representatives, and others, including (without limitation) professional persons retained by the Debtors, based upon any act or omission related to service with, for or on behalf of the Debtors on or before the Effective Date as such obligations were in effect at the time of any such act or omission, shall not be discharged or impaired by confirmation or consummation of this Plan, but shall survive unaffected by the releases contemplated by this Plan and shall be performed and honored by the Liquidating Debtors regardless of such confirmation and consummation.

9.6 *Limitation on Liability Regarding Chapter 11 Activities.* NONE OF THE DEBTORS, THE LIQUIDATING DEBTORS, THE PLAN ADMINISTRATOR, THE ET COMMITTEE, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, MEMBERS OR AGENTS (EACH ACTING IN SUCH CAPACITY), OR ANY PROFESSIONAL PERSONS EMPLOYED BY ANY OF THEM WILL HAVE OR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR RELATED TO THE FORMULATION, PREPARATION, DISSEMINATION, IMPLEMENTATION, CONFIRMATION, OR CONSUMMATION OF THE PLAN, THE DISCLOSURE STATEMENT, ANY CONTRACT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO, OR ANY OTHER ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH THE PLAN OR THE CHAPTER 11 CASES, AND ALL CLAIMS BASED UPON OR ARISING OUT OF SUCH ACTIONS OR OMISSIONS WILL BE FOREVER WAIVED AND

RELEASED; *provided, however*, THAT NOTHING HEREIN SHALL AFFECT THE LIABILITY OF ANY ENTITY THAT OTHERWISE WOULD RESULT FROM ANY ACTION OR OMISSION TO THE EXTENT THAT SUCH ACTION OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT.

## ARTICLE X

### MODIFICATION OF THE PLAN

10.1 The Debtors may alter, amend, or modify the Plan under section 1127 of the Bankruptcy Code. The Debtors may make any non-material modifications to the Plan at any time prior to the Effective Date. After the Effective Date, the Liquidating Debtors may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, or to address such matters as may be necessary to carry out the purposes and effects of the Plan. Notwithstanding any reference herein to the forms of documents to be filed with the Bankruptcy Court prior to the Confirmation Hearing, and without limiting the preceding portions of this Article X, the Debtors may make any non-material changes to such forms prior to the Effective Date.

10.2 *Revocation of the Plan.* The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if confirmation of the Plan does not occur, then the Plan and related Disclosure Statement shall be null and void, and nothing contained therein shall: (i) constitute a waiver or release of any Claims by or against, or liens in property of, the Debtors; or (ii) serve as an admission of fact or conclusion of law or otherwise prejudice in any manner the rights of the Debtors in any further proceedings involving the Debtors.

## ARTICLE XI

### CONDITIONS TO CONFIRMATION AND EFFECTIVE DATE

11.1 *Conditions to Confirmation.* The following are conditions precedent to confirmation of the Plan:

- (a) The Bankruptcy Court shall have entered the Confirmation Order.

11.2 *Conditions to Effective Date.* The Plan may not be consummated unless each of the conditions set forth below has been satisfied:

- (a) The Confirmation Order shall have been entered and not be the subject of any judicial stay.
- (b) The Debtors shall have sufficient funds on hand to satisfy due and outstanding Administrative Claims, Fee Claims, Priority Tax Claims and Priority Claims.

11.3 *Effect of Nonoccurrence of the Conditions to Effective Date.* If each of the conditions to the occurrence of the Effective Date has not been satisfied on or before the first Business Day that is more than 179 days after the Confirmation Date (or by such later date as the Debtors propose and the Bankruptcy Court approves, after notice and a hearing), upon motion by any party in interest, the Confirmation Order may be vacated by the Bankruptcy Court; *provided, however,* that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to the Effective Date is satisfied before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to this section, then the Plan shall be null and void in all respects, and nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims against, liens on property of the Debtors; or (b) prejudice in any manner the rights of the Debtors, including (without limitation) the right to seek further extensions of the exclusivity periods under section 1121(d) of the Bankruptcy Code, which exclusivity periods shall be deemed to have been extended to the date

twenty (20) days after the date of entry of any order vacating the Confirmation Order, subject to the rights of any party to seek to shorten the exclusivity periods after notice and hearing.

## ARTICLE XII

### ADMINISTRATIVE PROVISIONS

12.1 *Retention of Jurisdiction.* Notwithstanding confirmation of the Plan or occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction for the following purposes:

(a) Determination of the allowability of Claims against, or the administrative expenses of, the Debtors, and the validity, extent, priority, and nonavailability of consensual and nonconsensual liens and other encumbrances;

(b) Determination of any of the Debtors' tax liability pursuant to section 505 of the Bankruptcy Code;

(c) Approval, pursuant to section 365 of the Bankruptcy Code, of all matters related to the assumption, assumption and assignment, or rejection, of any executory contract or unexpired lease of the Debtors;

(d) Resolution of controversies and disputes regarding the enforcement or interpretation of the Plan, the Confirmation Order, or the Bankruptcy Court's orders that survive confirmation of the Plan pursuant to the Plan or other applicable law;

(e) Implementation of the provisions of the Plan, and entry of orders in aid of confirmation and consummation of the Plan and enforcing settlements or orders entered during the Chapter 11 Cases or as part of the Plan, including, without limitation, appropriate orders to protect the Liquidating Debtors, their officers and directors and the Plan Administrator from actions by creditors of the Debtors and resolution of disputes and controversies regarding property of the Liquidating Debtors;

- (f) Modification of the Plan pursuant to section 1127 of the Bankruptcy Code;
- (g) Commencement and adjudication of any causes of action that arose preconfirmation or in connection with the implementation of the Plan, including Avoidance Actions and other actions against third parties brought or to be brought by the Debtors, the Liquidating Debtors, or other successors of the Debtors as the representative of the Debtors' estates, or a party in interest (as a representative of the Debtors' estates);
- (h) Entry of a Final Order closing the Chapter 11 Cases;
- (i) Resolution of disputes concerning Disputed Claims, Claims for disputed distributions and recharacterization or equitable subordination of Claims;
- (j) Resolution of any disputes concerning any release under the Plan of a nondebtor or the injunction under the Plan, or in the Confirmation Order against acts, employment of process, or actions against such nondebtor;
- (k) Resolution of any disputes concerning whether an Entity had sufficient notice of, among other things: (i) the Chapter 11 Cases; (ii) the applicable Claims' bar date; (iii) the hearing on the approval of the Disclosure Statement as containing adequate information; or (iv) the hearing on confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder;
- (l) Issuance of injunctions, granting and implementation of other orders, or taking such other actions as may be necessary or appropriate to restrain interference by any Entity with respect to consummation or enforcement of the Plan;
- (m) Resolution of controversies and disputes regarding settlement agreements, orders, injunctions, judgments, and other matters entered or approved by the Bankruptcy Court in

connection with any adversary proceeding, discovery, or contested matter in the Chapter 11 Cases;

(n) Correction of any defect, cure of any omission or reconcile any inconsistency in the Plan, the Confirmation Order, organizational documents of the Liquidating Debtors or any other documents relating to the Plan, as may be necessary to carry out the purposes or intent of the Plan;

(o) Adjudication of any pending adversary proceeding, or other controversy or dispute, in the Chapter 11 Cases for the Debtors, which arose pre-confirmation and over which the Bankruptcy Court had jurisdiction prior to confirmation of the Plan;

(p) Entry and implementation of such orders as may become necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated; and

(q) Determination of any other matters that may arise in connection with or related to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan or Disclosure Statement.

12.2 *Successors and Assigns.* The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the heir, executor, administrator, successor, or assign of such Entity.

12.3 *Severability.* Should any provision in the Plan be determined to be unenforceable following the Confirmation Date, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Plan; provided that the Plan, as modified, meets the requirements of the Bankruptcy Code, including, without limitation, section 1127 of the Bankruptcy Code.



12.4 *Governing Law.* Except to the extent the Bankruptcy Code, Bankruptcy Rules, other federal laws apply, or as otherwise expressly provided in the Plan, the rights and obligations arising under the Plan shall be governed by the laws of the State of New York without giving effect to principles of conflicts of law.

12.5 *ET Committee.*

(a) As of the Effective Date, the duties of the ET Committee shall terminate except as to: (i) any appeal or motion for reconsideration of the Confirmation Order; (ii) objections to Fee Claims; and (iii) the removal of the Committee Director and the appointment of a replacement Committee Director.

(b) Upon the entry of a Final Order closing the Chapter 11 Cases for the Liquidating Debtors, the duties of the ET Committee shall terminate for all purposes.

12.6 *Application of Bankruptcy Code section 1146(c).* The issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan shall be entitled to the tax treatment provided by sections 1146(c) of the Bankruptcy Code and each recording or other agent of any governmental office shall record any such documents of issuance, transfer, or exchange without any further direction or order from the Bankruptcy Court.

12.7 *Ratification.* All fees payable pursuant to section 1930 of title 28, United States Code, due and payable through the Effective Date shall be paid by the Debtors on or before the Effective Date and amounts due thereafter shall be paid by the Plan Administrator in the ordinary course.

12.8 *Continuation of Injunctions and Stays.* Unless otherwise provided, all injunctions or stays ordered in the Chapter 11 Cases, pursuant to section 105 of the Bankruptcy Code or

otherwise, and extant on the Confirmation Date shall remain in full force and effect unless or until subsequently modified or terminated.

12.9 *Undefined Terms.* Any term used herein that is not defined herein shall have the meaning ascribed to any such term used in the Bankruptcy Code and/or the Bankruptcy Rules, if used therein.

12.10 *Interpretation.* The words "herein," "hereof," "hereto," "hereunder," and others of similar inference refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan unless otherwise specified herein. The word "including" shall mean including, without limitation. The headings in the Plan are only for convenience of reference and shall not limit or otherwise affect the provisions of the Plan.

Dated: March 3, 2005

Respectfully submitted,

NEGT Energy Trading Holdings Corporation

By: R.W. Baron  
President

NEGT Energy Trading - Gas Corporation

By: R.W. Baron  
President

NEGT Energy Trading – Power, L.P.

By: NEGT Energy Trading Holdings Corporation,  
its General Partner  
R.W. Baron  
President

NEGT ET Investments Corporation

By: R.W. Baron  
President

Quantum Ventures

By: P. Chisman Hibe  
President

Energy Services Ventures, Inc.

By: P. Chisman Hibe  
President