



EC004404210

**Agenda**

Herbert S. Winokur, Jr., Chairman  
Robert A. Belfer  
Norman P. Blake, Jr.  
Ronnie C. Chan  
Paulo V. Ferraz Pereira  
Frank Savage

# AGENDA

## Meeting of the Finance Committee of the Board of Directors of Enron Corp.

5:00 p.m. (CDT), August 13, 2001  
50<sup>th</sup> Floor Boardroom, Enron Building  
Houston, Texas

		Page
1. Approval of April 30, 2001 Finance Committee Minutes	<b>Mr. Winokur</b>	1-1
2. Chief Financial Officer Report	<b>Mr. Fastow</b>	2-1
3. Treasurer Report	<b>Mr. Glisan</b>	3-1
4. Chief Risk Officer Report	<b>Mr. Buy</b>	4-1
<b>Quarterly Risk Update</b>		4-2
- Enron's Assets		4-3
- Trade Credit Update		4-13
- Investment Portfolio		4-17
- Enron Energy Services		4-21
- Market Risk Update		
5. Projects and Amendments		5-1
<b>A) Brokerage Account Authorization</b>	<b>Mr. Glisan</b>	5A-1
- Approve for Recommendation to the Board		
6. Other Business		6-1
7. Adjourn		7-1

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*See Addendum for Deal Approval Sheets approved between Board meetings*

**Agenda Item 1**

EC004404212

**Enron Corp.**  
**Finance Committee Minutes**  
**from April 30, 2001 meeting**

EC004404213

**DRAFT**

**MINUTES  
MEETING OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS  
ENRON CORP.  
APRIL 30, 2001**

Minutes of a meeting of the Finance Committee ("Committee") of the Board of Directors of Enron Corp. ("Company"), noticed to begin at 4:00 p.m. C.D.T., but actually begun at 4:25 p.m., C.D.T., at the Enron Building in Houston, Texas.

The following Committee members were present, either in person or by telephone conference connection, where each member could hear the comments of the other participants and join in the discussion, constituting a quorum:

Mr. Herbert S. Winokur, Jr., Chairman  
Mr. Norman P. Blake, Jr.  
Mr. Robert A. Belfer  
Mr. Ronnie C. Chan  
Mr. Paulo V. Ferraz Pereira  
Mr. Frank Savage, joined in progress as noted below  
Mr. John A. Urquhart

Committee member Mr. Jerome J. Meyer was absent from the meeting. Directors John H. Duncan, Ken L. Harrison, Kenneth L. Lay, and Jeffrey K. Skilling, Messrs. William S. Bradford, Richard B. Buy, Christopher F. Calger, Richard A. Causey, Timothy A. DeSpain, Andrew S. Fastow, Ben F. Glisan, Jr., David G. Gorte, Steven M. Harris, Roderick J. Hayslett, Mark E. Koenig, Theodore R. Murphy, and Peter E. Weidler, and Mesdames Rebecca C. Carter, Louise J. Kitchen, and Rebecca A. McDonald, all of the Company or affiliates thereof, and Mr. Richard N. Foster, of McKinsey & Company, Inc., also attended the meeting.

The Chairman, Mr. Winokur, presided at the meeting, and the Secretary, Ms. Carter, recorded the proceedings.

Mr. Winokur called the meeting to order, noted that a draft of the minutes of the meeting of the Committee held on February 12, 2001 had been distributed to the Committee members, and called for any corrections

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or additions. There being none, upon motion duly made by Mr. Blake, seconded by Mr. Ferraz Pereira, and carried, the minutes of the meeting of the Committee held on February 12, 2001 were approved as distributed.

Mr. Winokur called upon Mr. Fastow to present the Chief Financial Officer's report, a copy of which is filed with the records of the meeting. Mr. Fastow reviewed certain finance issues or exposures currently impacting the Company and discussed recent treasury stock purchase activity. He presented a chart depicting the Company's interest rate exposure in different areas and noted the dollar amounts at fixed and at floating interest rates. He then discussed certain steps being taken by the Company to increase the average life of the long-term debt maturities and commented on certain financings previously done by the Company that had imbedded stock price risk and could potentially require future equity issuances.

Mr. Savage joined the meeting.

Mr. Fastow then began a discussion of finance related asset sales by the business units and certain prepay transactions that were underway. He noted that the Company was diversifying its funding sources and compared the percentage of funding the Company had received from banks, U.S. capital markets, and non-U.S. capital markets over the last three years. He noted that in 1998 banks had accounted for 86% of the total funds raised while in 2000 the percentage was only 73%. He then commented on the Company's liquidity and net margin activity and called upon Mr. Glisan to discuss certain workouts that were underway. Mr. Glisan discussed the individual workouts underway and the potential impact on the Company's liquidity. He then reviewed the aggregate exposure the Company was subject to related to the Dabhol, Cuiaba, and Trakya projects and Azurix.

Mr. Fastow then noted that the Company was proposing adding two Deputy Treasurers, Mr. Paul Chivers and Ms. Anne Edgley. He commented on their backgrounds and, following a discussion, upon motion duly made by Mr. Blake, seconded by Mr. Ferraz Pereira, and carried, the proposed officer elections were approved for recommendation to the Board.

Mr. Winokur called upon Mr. Glisan to present the Treasurer Report, a copy of which is filed with the records of the meeting. Mr. Glisan reviewed the liquidity report as of April 18, 2001 and noted that the Company's total liquidity was currently over \$7.4 billion. He then reviewed

the Company's active letters of credit and discussed the changes since year end. He presented the Company's guarantee portfolio as of March 30, 2001 and noted that guarantees continued to be higher than normal due to the significant increase in the volumes transacted by the Company. He reviewed key financial ratios and noted that the Company's original 2001 Plan had assumed that a large percentage of international assets would be sold early in the year. He stated that since this had not occurred the Company was closely monitoring the key financial ratios to ensure that they remained within the acceptable ranges absent any infusion of cash proceeds related to asset sales.

Mr. Glisan then discussed two methodologies that had been utilized to determine the Company's cost of capital. He noted that the first methodology, a 5-year annualized return, estimated a weighted average cost of capital ("WACC") of 19.3% while the second methodology, an equity analyst forecasted stock price, suggested a WACC of 14.1%. He then discussed the health of the equity markets by presenting charts depicting mutual funds flow for investment grade corporate debt, emerging

exposures and noted that as of March 31, 2001 70% of the exposure was in the U.S., 13% was in the U.K., and 12% was in Canada.

Mr. Buy then began a discussion of the Company's investment portfolio, noted that at March 31, 2001 79% of the portfolio was invested in private equity, and commented on activity in the portfolio during the first quarter. He presented charts depicting the portfolio by industry, business unit investment, and performance category. He then discussed the performance category in more detail by classifying the investments into four categories, exceeding expectations, meeting expectations, falling below expectations, and troubled. He then discussed initiatives by the Risk Assessment and Control ("RAC") group, including expanding the investment portfolio to include all former Enron International assets, revaluing all of the major assets quarterly, reporting the investment rate of returns to the Board on a quarterly basis, and monitoring off-balance sheet vehicles.

Mr. Buy then began a discussion of the RAC group's efforts relating to Enron Energy Services, LLC ("EES") and commented on the recent transfer of the wholesale and tariff positions as well as other risk management functions to the Enron Wholesale Services ("Wholesale") group. He discussed the major challenges facing EES and the Wholesale group, including operational risk and tariff, credit, and demand side management/operations and maintenance exposures. He then updated the Committee on the progress of the task force, made up of individuals from the RAC group, the Wholesale group, and EES, and presented a timeline depicting estimated completion dates of individual projects underway. He then reviewed the RAC group's analysis of EES's energy asset projects and stated that EES's progress had been slower than anticipated during the first quarter due in part to the volatility in the California marketplace. Mr. Skilling then joined him for a lengthy discussion of the situation in the gas and power markets in California.

Mr. Buy then began the market risk update by discussing the profit or loss that each commodity group had earned during the first quarters of 2000 and 2001 compared to the average Value at Risk ("VAR") it had taken. He then presented the same information by business unit and specific commodity. He reviewed the VAR limit utilization by commodity for the last four quarters and gave an overview of the VAR backtesting for the twelve months ended March 31, 2001. He then presented seven stress scenarios that had been analyzed by the RAC group and commented on the potential impact of each scenario on the Company's earnings. He then discussed the Company's foreign exchange exposure.

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by currency and commented on the amounts that would be recorded in the Company's currency translation account and income statement.

He then began a discussion of the proposed changes to the Enron Corp. Risk Management Policy ("Policy") and noted that there was no change to the aggregate VAR limit. He then stated that the changes to the Policy related to the following areas: 1) increases to the net open position limit, maturity /gap limit, and/or VAR for certain existing commodity groups, 2) establishing permanent net open position limits, maturity/gap limits, and/or VAR limits for certain commodities currently under the interim limit section of the Policy, 3) extending the interim limits for a certain commodity, and 4) modifying the reporting requirements to the Office of the Chairman. Following a discussion, upon motion duly made by Mr. Blake, seconded by Mr. Ferraz Pereira, and carried, the proposed changes to the Policy as discussed at the meeting were approved for recommendation to the Board.

Mr. Winokur then called upon Mr. Buy to discuss the proposed changes to the Transaction Approval Process ("TAP"). Mr. Buy stated that management was proposing certain changes to the TAP to: 1) reduce required Board approval of revisions due solely to personnel or organizational changes, 2) add approval authority for certain business unit Chief Operating Officers, and 3) provide further clarification of the TAP. He reviewed how each of the proposed changes would impact the process and, following a discussion, upon motion duly made by Mr. Belfer, seconded by Mr. Blake, and carried, the proposed changes to the TAP as presented at the meeting were approved for recommendation to the Board.

Mr. Winokur then called upon Mr. Causey to discuss a proposed Minority Financing Vehicle, and Ms. Carter distributed a handout, filed with the records of the meeting, related to the matter. Mr. Causey stated that management was proposing the Minority Financing Vehicle to optimize the capital structure of the Company. He then discussed the specifics of the financing vehicle and answered questions from the Committee. Following a discussion, upon motion duly made by Mr. Ferraz Pereira, seconded by Mr. Savage, and carried, the proposed Minority Financing Vehicle presented at the meeting was approved for recommendation to the Board.

Mr. Winokur then called upon Mr. Calger to begin the Las Vegas Cogen II presentation. Mr. Calger presented an overview of the existing power plant located in Las Vegas and a proposed expansion, Las Vegas Cogen II ("LVCII"). He stated that the Company had acquired the existing facility in 1999 and had made improvements to the plant to reduce the heat

rate and increase capacity. He stated that there was continued strong demand for merchant generation projects in the Western Region and that management was proposing LVCII, which included 222 megawatts of additional gas-fired generation utilizing four turbines from the Company's existing turbine portfolio. He noted that the Company would enter into a 15-year, fixed price tolling agreement with Allegheny Energy Supply for the output of LVCII. He stated that it was management's intention to finalize development, commence construction, and divest of the facility prior to commercial operations. He then reviewed the status of the development of the project to date, including the source and use of funds. He noted that the expansion project, combined with the existing facility, would be an attractive acquisition for generation companies since the facility had proven, reliable technology, a purchaser would receive a 100% controlling interest, the location of the facility was in a fast-growing region, and there would be a tolling agreement already in place. He commented on companies, which had already expressed an interest in purchasing the facility and the anticipated gain that would be realized. He stated that management was recommending approval of \$199.1 million to finance construction of the LVCII expansion subject to completion of the following: 1) execution of a definitive tolling agreement, 2) receipt of the Electrical Transmission Agreement Confirmation, and 3) execution of the Southwest Gas Interconnection, Water/Wastewater, and Nevada Power Interconnection Agreements. Following a discussion, upon motion duly made by Mr. Belfer, seconded by Mr. Blake, and carried, the proposed Las Vegas Cogen II project as presented at the meeting was approved for recommendation to the Board.

Mr. Winokur then called upon Ms. McDonald to begin the Cuiaba Integrated Energy ("Cuiaba") project presentation. Ms. McDonald reviewed the history of approvals related to the Cuiaba project and stated that the project was currently 99% complete. She discussed the items remaining for completion and noted that the plant was currently operating on diesel. She then discussed reasons that the project costs have increased, including complications with the construction in the ridges and the inclusion of contested change orders. She then presented a chart depicting the original project costs and the additional funding previously approved by the Board and commented on the sources and uses of funds. She stated that management was recommending that the Committee approve additional funding for the project in the amount of \$45.6 million related to the Company's contribution and an additional amount of \$82.8 million in the event that Shell, one of the project's partners, does not participate in the increased cost. Following a discussion, upon motion duly made by Mr. Blake, seconded by Mr. Ferraz Pereira, and carried, the

proposed additional investments, as presented at the meeting, and an additional \$10 million in discretionary funds to be allocated by Mr. Skilling were approved for recommendation to the Board.

Mr. Winokur called upon Mr. Skilling to begin the presentation on the proposed divestiture of the CEG/CEG Rio ("CEG-Rio") gas field

seconded by Mr. Belfer, and carried, the proposed delegation of authority to Mr. Skilling to approve the Red Rock expansion was approved for recommendation to the Board.

There being no further business to come before the Committee, the meeting was adjourned at 5:45 p.m. C.D.T.

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Secretary

APPROVED:

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Chairman

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**Agenda Item 2**

**Enron Corp**  
**Chief Financial Officer Report**  
**August 13, 2001**

EC004404223

# Finance Issues/Exposures

- **Stock Activity**
- **Interest Rate Exposure**
- **Finance Related Asset Sales**
- **Outstanding Financings and Debt**
- **Liquidity – Margin Activity**
- **Asset Divestitures**
- **Workout Updates**

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# Enron Stock Activity

(000) except Share Price

*closed all open positions*

## Stock Trading Activity - MTM

Description	Shares (000)	Avg Price	Amount
Opening Balance	-	-	-
Sold Puts-Strike @ 18.73	13,646	-	-
Total Return Swap - June	1,672	\$50.08	\$83,729
Total Return Swap - July	2,067	\$45.12	\$93,255
Ending Balance	17,385		

*new - 0 -*

EGF Equity Position Limits	V@R	Notional open
Limit (\$MM)	\$10.00	\$300.00
Current position (\$MM)	\$5.79	\$172.87
-Position limits exclude ENA position which is reflected in ENA equity book position report		
-Includes 60% of JEDI if an open position.		

## Stock Purchase Activity (Treasury)

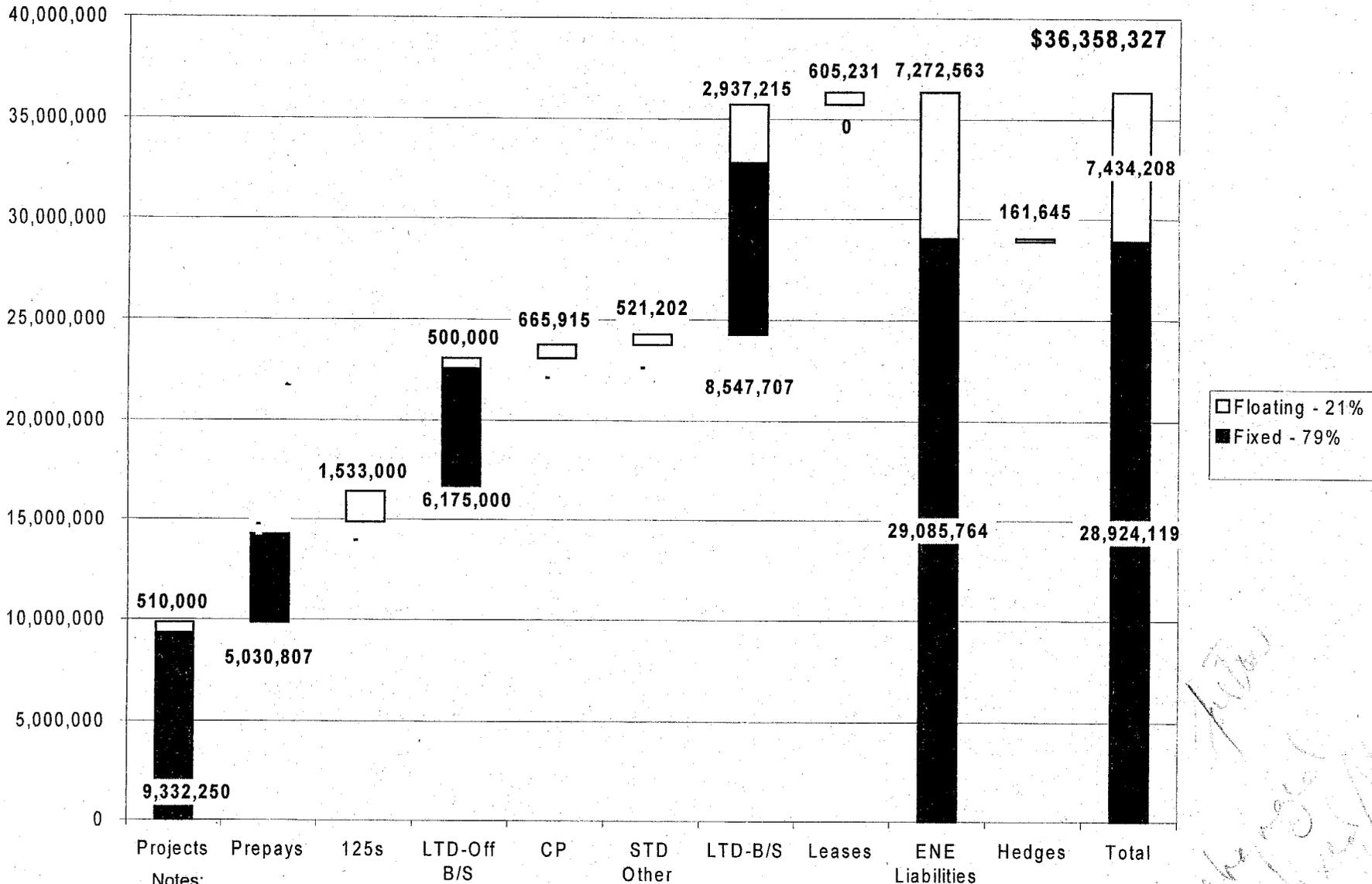
Description	Shares (000)	Avg Price	Amount
Opening Balance	577		
Repurchases	4,199	\$78.95	\$331,520
Other Activity	(3,675)		
Ending Balance	1,101		

Authorization, Subject to Jim Derrick's approval	20,000,000
Activity	4,199,000

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*for tax*

# Interest Rate Exposure



**Notes:**

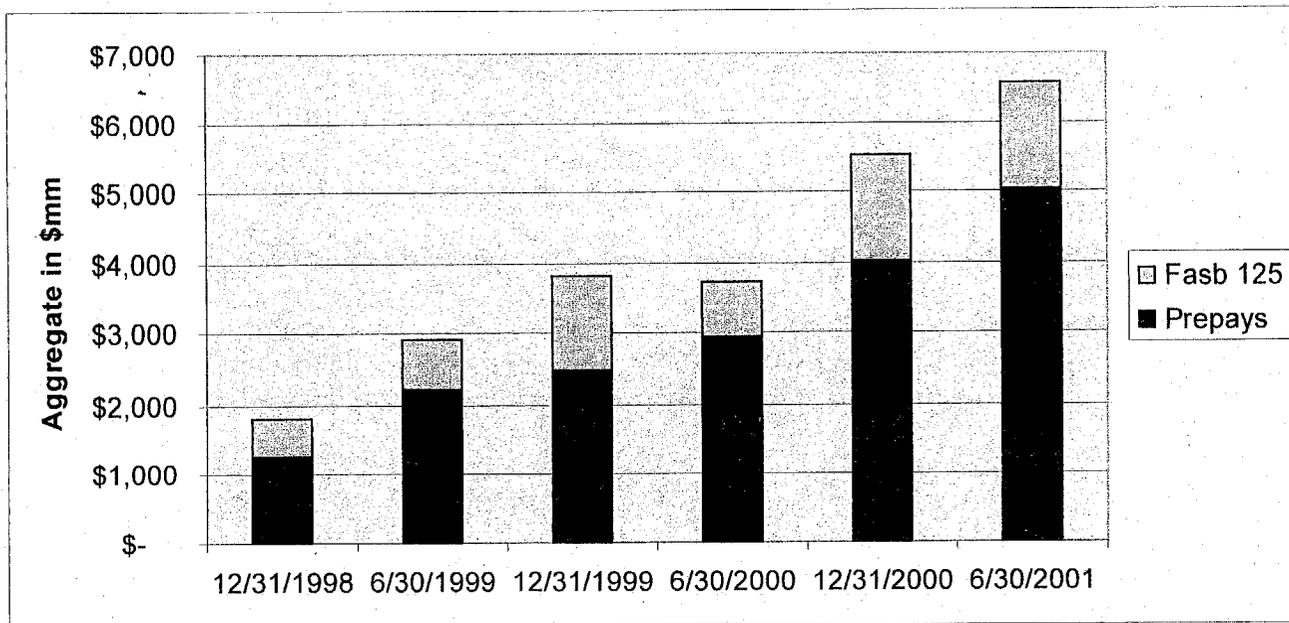
1. Current CP Balance of \$666 MM represents 15% of floating rate debt.
2. EGF goal of 80/20 fix/flt composition.

*Handwritten notes:*  
 H. Cheng  
 stayed in the  
 11/1/2010

# Finance Related Asset Sales

## Prepays and 125 Sales (\$MM)

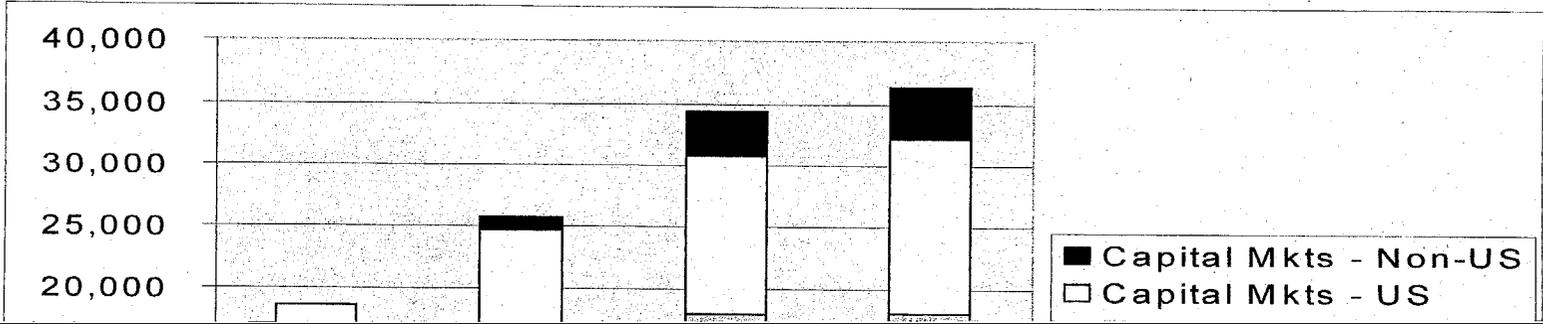
	12/31/1998	6/30/1999	12/31/1999	6/30/2000	12/31/2000	6/30/2001
Prepays	\$ 1,258	\$ 2,239	\$ 2,489	\$ 2,962	\$ 4,016	\$ 5,031
Fasb 125	\$ 573	\$ 683	\$ 1,316	\$ 772	\$ 1,521	\$ 1,533
	\$ 1,831	\$ 2,922	\$ 3,805	\$ 3,734	\$ 5,537	\$ 6,564



*prepays - financings to bring cash forward to match savings  
Fasb 125 marketize purchase requests cash flow savings*

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# Outstanding Financings and Debt (\$MM)



# Liquidity – Margin Activity

## 12 Month Margin Activity Statistics (000)

	<i>Net Margin Activity for Month</i>	<i>Largest Daily Net In</i>	<i>Largest Daily Net Out</i>
August '00	814	576	(97)

October '00	131	131	(225)
November '00	2,733	186	(139)
December '00	856	432	(403)
January '01	370	273	(275)
February '01	(400)	219	(227)
March '01	(453)	138	(365)
April '01	(344)	216	(155)
May '01	(428)	97	(358)
June '01	(996)	93	(172)
July '01	(126)	90	(128)

\* YTD Margin Activity \$1.768 billion Net out thru 7/26.

## Current Liquidity (000)

CP Lines	2,750,000
ST Lines	484,000
PRM Asset	300,000
Net A/P	

# Summary Asset Disposition Status

(\$ in millions)

*out of date*

Disposition Status	<i>Proceeds</i>	Number of Assets	Book Value <del>On B/S</del>	Book Value Off B/S
Sold	<i>2.8</i>	27	<del>\$1,742</del> <i>1.8</i>	\$109
Sale Pending	<i>1.1</i>	9	<del>626</del>	410
2001 Active Negotiation	<i>1.8</i>	12	1,335	481
2001 High Priority		23	1,007	437
2001 Medium Priority		2	39	0
2002 Active Negotiation - PGE		1	3,266	0
2002 High Priority - Elektro		1	1,998	462
2002 High Priority - All others		20	689	269
<b>Total</b>		<b>95</b>	<b>\$10,702</b>	<b>\$2,168</b>

*poster + JKS period*

*factors discussed how new accounting rules will impact liquidity b/c it will push up debt to cap ratio. They need to monitor timing of asset sales.*

# **Workout Updates**

- **Dabhol**
- **Cuiaba**
- **Azurix**
- **Trakya**
- **Other**

# ASF - Detail on Outstanding Fundings

	1998	1999	2000	2Q '01
<b>Bank</b>	<b>10,885</b>	<b>13,807</b>	<b>17,933</b>	<b>17,954</b>
Corp	760	1,334	1,393	895
Unconsolidated Equity Affil - 100%	7,176	7,841	9,717	8,622
Prepay	1,163	2,490	4,016	5,031
125/Monetization	573	1,415	1,539	1,533
Nighthawk	485	-	-	-
Rawhide	728	728	718	718
Zephyrus	-	-	500	500
Valhalla	-	-	50	50
Leases	-	-	-	605
<b>Capital Mkts - US</b>	<b>7,674</b>	<b>10,870</b>	<b>12,897</b>	<b>14,302</b>
On Balance Sheet	5,790	6,294	7,881	9,801
NBPL & FPL	446	646	1,221	1,221
Osprey	-	1,400	2,150	2,150
Marlin	1,024	830	830	315
Firefly	415	415	-	-
Yosemite 1	-	800	800	800
Nahanni	-	485	15	15
<b>Capital Mkts - Non-US</b>	<b>-</b>	<b>1,037</b>	<b>3,549</b>	<b>4,102</b>
On Balance Sheet	-	530	955	1,193
Osprey Euros = 315 Euros	-	-	297	297
Margaux	-	-	95	95
Wessex Water Bond	-	507	507	507
Marlin	-	-	-	315
Azurix Bond	-	-	590	590
Yosemite II	-	-	359	359
Yosemite III - GBP	-	-	747	747
<b>Total</b>	<b>18,559</b>	<b>25,714</b>	<b>34,379</b>	<b>36,358</b>

*Handwritten mark*

# ASF – Detail on 125 Transactions

B/U	Deal Name	Origination Date	Maturity Date	Jun-99	Dec-99	Jun-00	Dec-00	Jun-01
ENA	Bammel Looper	12/31/1998	12/30/2013	88	86	82	81	-
ENA	Mid Texas	12/31/1998	6/30/2013	79	76	75	74	-
ENA	American Coal	12/30/1998	10/16/2000	45	118	107	-	-
ENA	Powder River	12/30/1998	6/30/2000	43	41	-	-	-
ENA	Wind River	12/30/1998	6/30/2000	27	26	-	-	-
ENA	Iguana	12/20/1999	6/20/2000	-	202	-	-	-
ENA	Discovery	12/29/1999	8/30/2000	-	120	120	-	-
ENA	Bachus	-	-	-	-	-	200	-
ENA	Catalytica	-	-	-	-	-	60	-
ENA	Hanover	6/28/2001	3/28/2002	-	-	-	-	70
ENA	Hawaii 125-0 Series McGarret K (CGAS)	3/29/2001	12/28/2001	-	-	-	-	31
EBS/ECI	Ghost	12/17/1999	6/30/2001	-	255	255	-	-
EBS	Avici	-	6/1/2002	-	-	-	35	35
EBS	Hawaii 125-0 Series McGarret H (Braveheart)	-	-	-	-	-	57	-
EBS	Hawaii 125-0 Series McGarret I (EBSCS)	3/29/2001	11/20/2002	-	-	-	-	115
EEL	Hawaii 125-0 Series McGarret J (Eli Lilly)	6/14/2001	11/20/2002	-	-	-	-	38
EES	Alchemy	12/28/1999	6/27/2000	-	11	-	-	-
EES	Blackbird	12/27/1999	4/14/2000	-	74	-	-	-
EES	Hawaii 125-0 Series McGarret C	-	11/20/2002	-	-	-	30	30
EES	Hawaii 125-0 Series McGarret D	-	11/20/2002	-	-	30	91	91
EES	Hawaii 125-0 Danno B (Alchemy)	-	-	-	-	24	11	-
EES	Hawaii 125-0 Series McGarret G	-	9/14/2001	-	-	-	47	47
EES	Hawaii 125-0 Series McGarret L (Tahiti)	-	11/20/2002	-	-	-	-	30
EES	Tahiti 2	6/22/2001	3/22/2002	-	-	-	-	20
Corp	Cerberus	-	5/1/2002	-	-	-	517	517
Europe	Riverside 3/6	1/15/1999	1/15/2002	78	80	75	74	70
Europe	Riverside 9/EEP5 & ECTRL	9/28/1999	12/17/2013	100	3	3	3	3
Europe	Riverside 10	9/28/1999	3/31/2000	-	-	-	-	-
Europe	ETOL	-	-	-	-	-	240	228
Europe	Hawaii 125-0 Series McGarret F (Riva)	12/7/2000	11/20/2002	-	-	-	-	52

# ASF – Detail on Prepays

Prepay	Term	Inflows	Dec-98	Jun-99	Dec-99	Jun-00	Dec-00	Jun-01
Gas: Chase II	Sep 95 - Oct 00	224,440	3,706	2,647	413	-	-	-
Gas: Chase II	Dec 96 - Jan 00	225,021	(184,851)	(107,536)	(40,984)	(13,872)	9	(9)
Gas: Chase IV	Dec 97 - Dec 01	299,992	(252,755)	(210,151)	(171,146)	(129,995)	(88,390)	(45,605)
Gas: Chase V	Jun 98 - Jul 02	250,000	(240,721)	(205,192)	(173,603)	(140,448)	(107,499)	(74,027)
Gas: Energy America	Jun 98 - May 08	38,443	(40,482)	(37,577)	(35,359)	(34,291)	(35,046)	(34,439)
Gas: Chase VII (APEA)	Apr 99 - Apr 11	287,611	-	(271,687)	(263,745)	(256,654)	(263,192)	(258,729)
Gas: Chase VIII	Jun 99 - Jun 04	500,000	-	(507,324)	(486,471)	(435,179)	(393,457)	(350,083)
Gas: Cage	Sep 99 - Sep 00	(250)	-	-	418	529	-	-
Gas: Chase IX	Jun 00 - Jun 05	648,374	-	-	-	(661,938)	(658,136)	(604,936)
Gas: Chase X	Dec 00 - Nov 05	328,258	-	-	-	-	(340,279)	(332,242)
Gas: Citibank I	Jun 01 - Dec 01	250,000	-	-	-	-	-	(250,592)
Power: CRRA	Mar 01 - May 12	220,180	-	-	-	-	-	(227,421)
Crude: Chase IV	Dec 98 - Dec 02	249,994	(254,387)	(242,756)	(193,753)	(172,332)	(139,846)	(133,051)
Crude: Delta	Dec 98 - Nov 99	190,000	(189,917)	(121,407)	-	-	-	-
Crude: Truman	Jun 99 - Sep 99	500,000	0	(488,809)	-	-	-	-
Crude: Jethro	Sep 99 - Nov 99	675,000	0	-	-	-	-	-
Crude: Yosemite I	Dec 99 - Dec 04	800,000	0	-	(797,744)	(795,157)	(832,326)	(760,194)
Crude: Yosemite II	Feb 00 - Jan 07	324,000	0	-	-	(322,982)	(332,814)	(319,751)
Crude: Yosemite III	Aug 00 - July 05	472,000	0	-	-	-	(\$506,056)	(523,597)
Crude: Chase II	Dec 00 - Dec 01	315,000	-	-	-	-	(\$319,288)	(304,546)
Crude: Yosemite II Bridge		315,000	-	-	(327,298)	-	-	-
Crude: Citibank-Mahll	Ended 12/99		(46,973)	(23,111)	-	-	\$0	-
Crude: Chase III	Ended 11/99		(51,999)	(26,116)	-	-	\$0	-
Crude: Citibank FX Hedge	May 01 - Apr 06							(12,075)
Crude: Citibank USD	May 01 - Apr 06	474,781						(489,973)
Crude: Citibank GBP	May 01 - Apr 06	156,732						(158,434)
Crude: Citibank EUR	May 01 - Apr 06	149,956						(151,103)
<b>Total</b>		<b>\$7,894,532</b>	<b>\$(1,258,379)</b>	<b>\$(2,239,019)</b>	<b>\$(2,489,272)</b>	<b>\$(2,962,319)</b>	<b>\$(4,016,320)</b>	<b>\$(5,030,807)</b>

No

**Agenda Item 3**

# **Enron Corp**

## **Treasurer Report**

**August 13, 2001**

EC004404236

# Enron Corp.

## Active Letters of Credit by Category

(\$000)

	<u>06/30/01</u>	<u>12/31/00</u>	<u>12/31/99</u>
Bids	\$ 6,368	\$ 6,321	\$ 5,968
Debt	19,925	24,241	52,946
EOTT	144,744	102,089	150,310
Leases	12,573	12,750	15,604
Other	18,261	280,179	80,071
Other Third-Party	10,218	6,605	24,078
Performance	632,184	425,210	522,006
Trade	616,708	634,300	76,269
<b>Grand Total</b>	<b><u><u>\$ 1,460,981</u></u></b>	<b><u><u>\$ 1,491,695</u></u></b>	<b><u><u>\$ 927,252</u></u></b>

EC004404237

*glsan*

# Enron Corp.

## Guarantee Portfolio

(000's)

	<u>06/30/01</u>	<u>12/31/00</u>	<u>12/31/99</u>
Trade (Payment & Performance)	\$21,641,942	\$21,197,904	\$17,316,817
EOTT Trade	544,744	544,744	440,375
Swap Agreements <i>growth up</i> (Master & Individual) <i>wholesale</i>	12,474,024	10,878,431	7,148,443
Projects (Non-Debt) <i>NEPCO</i>	5,724,732	4,632,739	4,756,470
Debt	3,338,969	3,422,444	2,493,049
<b>Grand Total</b>	<b><u><u>\$43,724,411</u></u></b>	<b><u><u>\$40,676,262</u></u></b>	<b><u><u>\$32,155,154</u></u></b>

EC004404238

# Enron Corp

## Liquidity Forecast & Sensitivities

### As of July 27, 2001

(\$000)

Sources Available:	Overnight	2-5 Days	5-30 days	Total
Commercial Paper (Backed by committed Bank Revolver) <sup>1</sup>	2,750,000			2,750,000
Uncommitted Bank Lines & Loan Sales Lines <sup>2</sup>	484,000			484,000
Letter of Credit Facilities <sup>3</sup>		917,798		917,798
Net Accounts Receivable/Accounts Payable <sup>4</sup>			1,500,000	1,500,000
Net PRMA			300,000	300,000
Shelf Registration for Public Debt Issuance		1,000,000		1,000,000
Shelf Registration for Public Equity Issuance <sup>5</sup>			750,000	750,000
Whitewing Vehicle Capacity		30,140		30,140
Merchant Portfolio Available for Monetization			518,488	518,488
Scheduled Asset Monetizations			240,000	240,000
<b>Total Sources Available</b>	<b>\$3,234,000</b>	<b>\$1,947,938</b>	<b>\$3,308,488</b>	<b>\$8,490,426</b>

Notes:

Size of A2/P2 CP market: Current \$82B, Nov '00 \$140B.

Size of Bank Loan Sales/Participation market: Current \$10B.

<sup>1</sup> CP Program Capacity is \$3,350 million

<sup>2</sup> Loan Sales Capacity is \$550 million

<sup>3</sup> L/C Lines Capacity total \$2,125 million

<sup>4</sup> A/R Sale Proceeds comprise less than 10% of Trade Receivables Available (\$11.1B)

<sup>5</sup> 15 million shares at \$50 per share

# Enron Corp

## Liquidity Forecast & Sensitivities

### As of July 27, 2001

(\$000)

Forecasted Outflows:	O/N - 10 Days	11-90 days	Total
General & Administrative Expenses		160,000	160,000
Marlin Refinancing		915,000	915,000
Debt Maturities		937,000	937,000
<b>Total Forecasted Outflows</b>	<b>\$0</b>	<b>\$2,012,000</b>	<b>\$2,012,000</b>

Contingencies:	O/N - 10 Days	11-90 days	Total
Margin Postings <sup>1</sup>	1,057,000		1,057,000
Deposits To Be Returned <sup>2</sup>	-	-	-
<b>Total Contingencies</b>	<b>\$1,057,000</b>	<b>\$0</b>	<b>\$1,057,000</b>

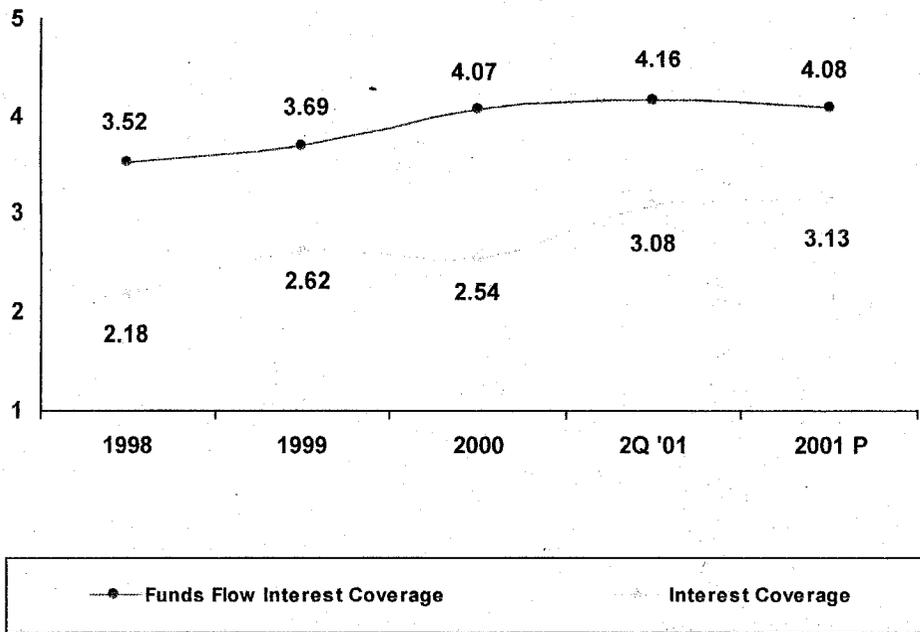
Forecasted Inflows:	O/N - 10 Days	11-90 days	Total
10 Year Benchmark		750,000	750,000
5 Year Exchange		250,000	250,000
Receivable Monetization		750,000	750,000
Contract Monetization		1,000,000	1,000,000
<b>Total Forecasted Outflows</b>	<b>\$0</b>	<b>\$2,750,000</b>	<b>\$2,750,000</b>

<sup>1</sup> Represents 99% confidence interval on 10 day V@R based on historical margin.

<sup>2</sup> As of July 17, Enron was in a net depositor position

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# Key Financial Ratios Focus



## Remaining 2001 Transactions to Meet Plan

Prepays	\$1,000
Contract Monetization	\$1,000
A/R Sale	\$750
Inventory Sale	\$225
Merchant Asset Monetizations	\$125

## Other 2001 Finance Activity

Ten Year Benchmark	\$1,000 *
Five Year Exchange	\$1,000 **

\* Refinances \$975MM Floater Due 9/10

\*\* \$ 250MM New Proceeds

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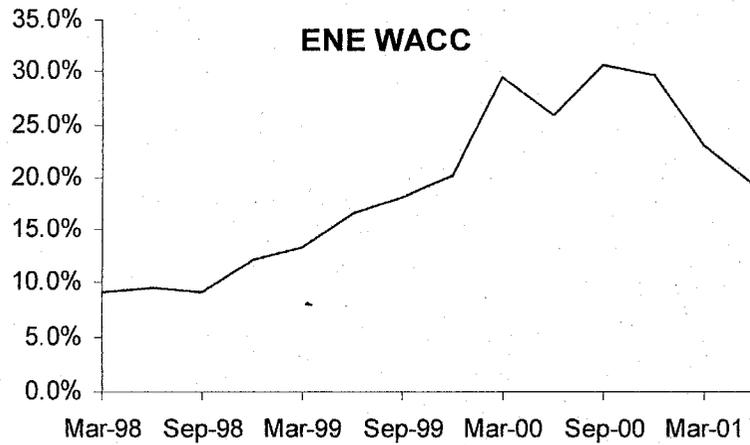
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# Rating Summary

Rating Agency	Long Term	Commercial Paper	Outlook	Comments
Standard & Poors	BBB+	A2	Stable	Our most solid rating agency relationship. Has expressed a willingness to improve our rating profile if assurances by Enron Senior Management are made to improve key financial ratios. Had difficult time approving extension of Marlin structure.
Moody's	Baa1	P2	Stable	Very focused on market risk . A detailed V@R and market discussion was held June 27 which addressed the following issues:

# Cost of Capital

## 5 year annualized return



Cost of Capital	Cost	% of Capital Structure	
		Cost	Structure
After Tax Debt	4.8%	42%	2.0%
Equity	19.3%	58%	11.2%
WACC		<u>13.2%</u>	

## Equity Analyst Forecasted Stock Prices

Firm	Recommendation	12 Month Target Price
A.G. Edwards	Accumulate	55
CIBC Oppenheimer	Buy	80
CSFB	Strong Buy	84
Goldman Sachs	Buy	68
Howard Weil	Accumulate	76
Merrill Lynch	Buy	75
Morgan Stanley	Outperform	85
Prudential	Buy	55
Simmons	Buy	55
Average		<u>70.3</u>

Enron Stock Price	Date	Closing Price	Implied Equity Return
	6/30/2001	49.100	43.2%

Cost of Capital	Cost	% of Capital Structure	
		Cost	Structure
After Tax Debt	4.8%	42%	2.0%
Equity	43.2%	58%	25.1%
WACC		<u>27.1%</u>	

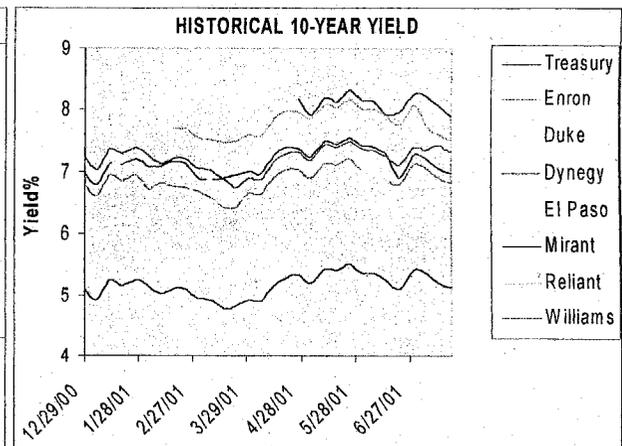
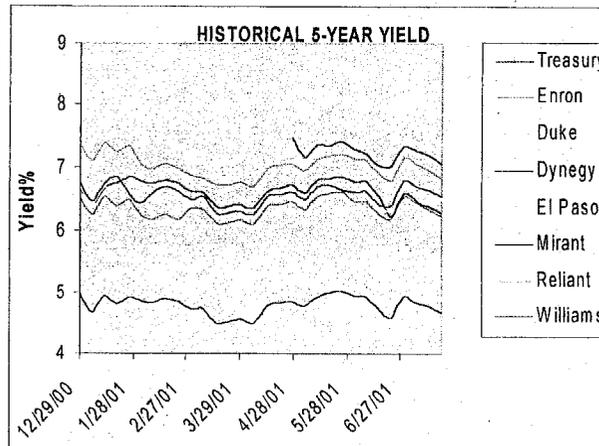
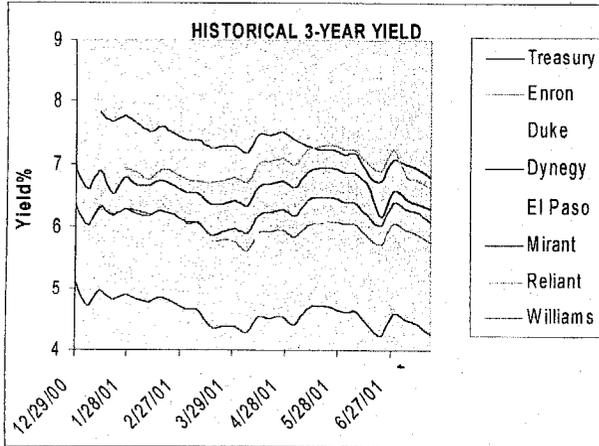
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# Market Indicators

	<u>YTD Max</u>	<u>YTD Min</u>	<u>YTD Change</u>	<u>12/31/2000</u>	<u>7/26/2001</u>
<u>Interest Rates</u>					
30 Day A2/P2 CP	6.45%	3.64%	-2.71%	6.40%	3.69%
3 Yr Treasury	5.14%	4.15%	-0.93%	5.13%	4.20%
5 Yr Treasury	5.05%	4.45%	-0.35%	4.98%	4.63%
10 Yr Treasury	5.52%	4.76%	0.02%	5.11%	5.13%
Libor (3M)	6.40%	3.70%	-2.69%	6.40%	3.71%
<u>Equities</u>					
Dow Industrials	11,338	9,389	(331)	10,787	10,456
S&P Index	1,374	1,103	(117)	1,320	1,203
NASDAQ	2,859	1,639	(448)	2,471	2,023
<u>Commodities</u>					
Natural Gas (Henry Hub)	10.50	2.94	(7.24)	10.50	3.26
Crude (NYMEX)	32.19	24.70	(0.07)	26.80	26.73
	<u>YTD Max</u>	<u>YTD Min</u>	<u>YTD Change</u>	<u>12/31/2000</u>	<u>7/26/2001</u>
<u>3 Year Sovereign Spreads</u>					
Argentina (B-/Caa1/B-)	26.10%	4.96%	13.33%	7.00%	20.33%
Brazil (BB-/B1/BB-)	8.55%	4.41%	2.17%	5.02%	7.19%

# Market Structure

## Sector Spreads



Historical 3-Year Treasury Spread (bps)				
	7/20/01	6/22/01	3/31/01	12/31/00
Enron (BBB+/Baa1)	148	148	139	138
Duke Capital (A/A3)	132	135	143	139
Dynegy Holdings (BBB+/Baa2)	202	193	205	179
El Paso (Coastal) (BBB/Baa2)	168	155	160	128
Mirant (Stn Energy) (BBB-/Baa2)	252	249	290	N/A
Reliant Energy (BBB+/Baa2)	237	263	240	N/A
Williams (BBB-/Baa2)	182	179	160	122

Historical 5-Year Treasury Spread (bps)				
	7/20/01	6/22/01	3/31/01	12/31/00
Enron (BBB+/Baa1)	158	160	161	154
Duke Capital (A/A3)	114	104	104	113
Dynegy (BBB+/Baa2)	163	163	186	169
El Paso (Coastal) (BBB/Baa2)	183	175	172	171
Mirant Americas (BBB-/Baa3)	241	242	N/A	N/A
Reliant Energy(Arkla) (BBB+/Baa2)	218	220	221	239
Williams (BBB-/Baa2)	188	182	176	176

Historical 10-Year Treasury Spread (bps)				
	7/20/01	6/22/01	3/31/01	12/31/00
Enron (BBB+/Baa1)	167	168	173	168
Duke Energy (A1/A+)	132	136	168	158
Dynegy Holdings (BBB+/Baa2)	182	178	208	186
El Paso (Coastal) (BBB/Baa2)	222	203	186	193
Mirant Americas (BBB-/Baa3)	273	284	N/A	N/A
Reliant Energy (BBB+/Baa2)	237	263	268	N/A
Williams (BBB-/Baa2)	217	198	198	210

# Energy Sector Update

- **Over the past two years, strong industry fundamentals have caused the energy sector to out perform the Investment Grade Credit Index and other industry sectors.**
  - Strong commodity prices
  - Consumer demand driven by the strong economy
  - Supply sufficiently restricted by a disciplined OPEC
- **Bond Market Technicals also favored the energy sector**
  - **Lack of Supply** – Energy companies have had little need to issue new debt as record earnings have left them flush with cash. In fact, many companies are actively reducing debt levels. As a result, Investment Grade Energy Issuance was down over 40% in 2000
  - **Increased Demand** – “Credit Blowups” in other sectors drove investors to the relative safe haven of the energy sector, where earnings and credit fundamentals have been strong

# Energy Sector Update

- **Recently, industry fundamentals have deteriorated and are beginning to lead to an investor perception of increasing risk within the sector**
  - Increased supply of non-OPEC oil and natural gas
  - Current price level is very fragile
  - The California energy crisis has focused investors on potential for reregulation / slowed deregulation in the wholesale sector.
- **The Relative Value of the energy sector is becoming less compelling due to the deteriorating industry fundamentals**
  - Energy bond spreads are currently at historically tight levels, despite a recent 7% drop in the Standard & Poor's Energy Index
  - Investors may soon decide that other industry sectors provide a more compelling value

-Source: Lehman Brothers

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# Energy Sector Update

## *Technical Analysis – Growing Correlation between Equity and Debt Performance*

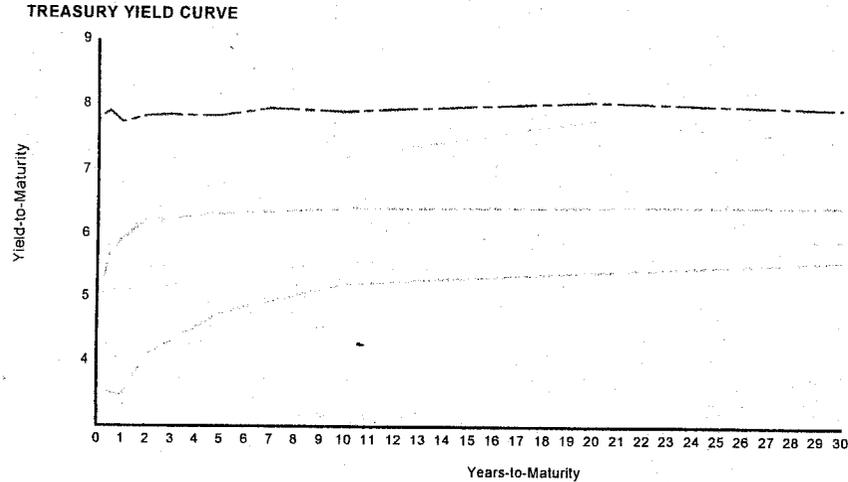
- As stock prices underperform spreads tend to widen as both debt and equity investors are responding to similar concerns in amid the slowing economy.
- This pattern has been particularly noticeable in the telecom sector, which has been among the hardest-hit sectors in both markets.
- As the Enron stock price has declined from a six-month high of \$82 on January 26, 2001 to its closing price of \$49.10 on July 11, 2001, the spread on Enron's outstanding debt securities in the Lehman Brothers Corporate Index has widened from 149 to 175 bps.

Recent Telecom Sector Performance

Recent Enron Debt and Equity Performance

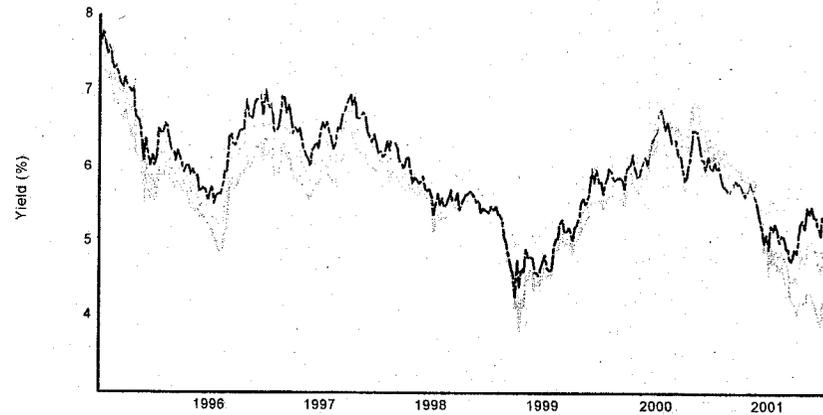
# Current Treasury Rates

## Within a Historical Context



Treasury Yield Curve Based on the Close of: June 27, 2001  
 Treasury Yield Curve Based on the Close of: December 31, 1986  
 Treasury Yield Curve Based on the Close of: December 29, 1989  
 Treasury Yield Curve Based on the Close of: December 29, 1995  
 Treasury Yield Curve Based on the Close of: December 31, 1999

**WEEKLY DATA: JANUARY 01, 1995 THROUGH JULY 16, 2001**



U.S. Government 2-Year Maturities  
 U.S. Government 5-Year Maturities  
 U.S. Government 10-Year Maturities  
 U.S. Government 30-Year Maturities

**Summary Statistics:**

	High	Low	Average	Latest
U.S. Government 2-Year Maturities	7.63%	3.84%	5.67%	4.08%
U.S. Government 5-Year Maturities	7.87%	4.02%	5.84%	4.76%
U.S. Government 10-Year Maturities	7.86%	4.29%	5.97%	5.24%
U.S. Government 30-Year Maturities	7.89%	4.85%	6.20%	5.63%

**Percentage of Times Historical Treasury Rates Have Outperformed Current Levels**

Benchmark Treasury	Current Rate as of 07/11/01	% of Time
2yr	4.03%	10.1%
5yr	4.76%	12.0%
10yr	5.28%	18.3%
30yr	5.68%	20.4%

-Source: Salomon Smith Barney

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# Estimated New Issue Cost

## Enron Estimated New Issue Cost

	3y	5y	10y
USD fixed	5.90%	6.51%	7.09%

## USD Equivalent libor Funding Spreads

USD	0.85%	1.04%	1.08%
Sterling	0.87%	1.04%	1.29%
Euro	0.85%	0.96%	1.16%
Yen	1.00%	1.25%	1.35%

## Enron Activity 2001

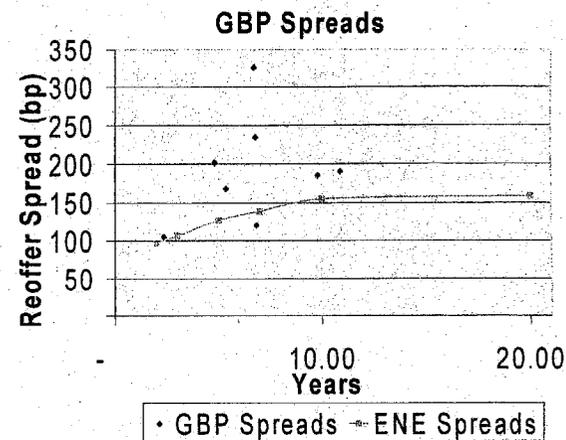
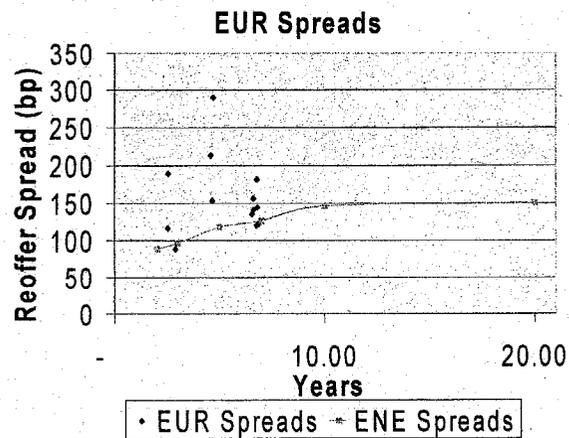
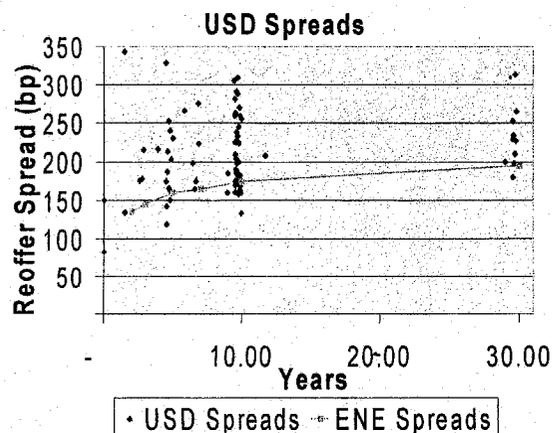
### Completed

Deal	Amount	Rate	Term	Comment
0% Convertible Note	\$ 1,907 MM	0%	2/8/2021	2.125% Accretion
TGS	\$ 150 MM	Libor + 298	5 year	
CLN	\$ 825 MM	7.37%	5 year	USD , GBP , EUR
Marlin	\$ 920 MM	6.31%	2 year	USD, EUR
Revolver	\$ 1,750 MM	Libor + 55	1 year	51 Bank Participants
LC Facility	\$ 500 MM	Libor + 40/62.5	1 year	51 Bank Participants

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# Comparison of Funding Spreads

## 2001 BBB+/Baa1



-The outlying points in the USD graph are foreign companies issuing in USD.

-The outlying points in the EUR graph is the Dutch telco KPN NV.

-The outlying points in the GBP graph is the Dutch telco KPN NV.

-PSE&G has the 30 year outlier.

### Widest (10yr)

HQI Transelec Chile SA	309
ERAC USA Finance	305
Allegheny Energy	291

### Widest (5-7yr)

Koninklijke KPN NV	290
TPSA Euro Finance BV	213
Worldcom Inc	181

### Widest (5-7yr)

Koninklijke KPN NV	325
Worldcom Inc	234

### Tightest (10yr)

Florida Power Corp	133
Exelon Corp	158
Canada Natural Resources Ltd.	160

### Tightest (5-7yr)

Koninklijke Ahold NV	120
WPP Group PLC	122
NYA Birka Energi	135

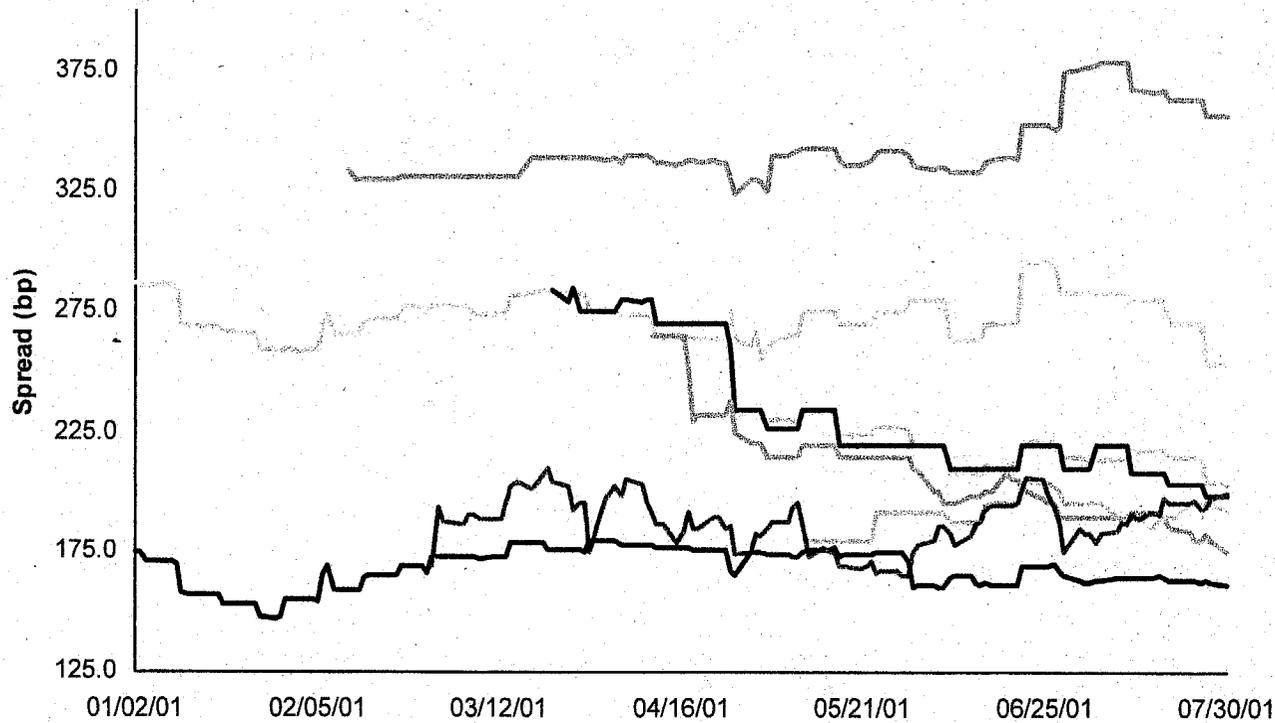
### Tightest (5-7yr)

BG Energy Capital PLC	120
Avon Energy Partners Holdings	168

-Source: Salomon Smith Barney

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# Comparison of Funding Spreads Marketers and Producers



- |                                  |  |
|----------------------------------|--|
| — Mirant 8.300% due 05/01/11     | — NRG Energy 8.250% due 09/15/10       |
| — Calpine 8.500% due 02/15/11    | — Allegheny Energy 7.800% due 03/15/11 |
| — PSEG Power 7.750% due 04/01/11 | — El Paso 7.000% due 05/15/11          |
| — Enron 6.75% due 08/01/09       | — The Williams Cos 6.750% due 01/15/06 |

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**Agenda Item 4**

**Energy Corp**

# Enron's Assets

as of June 30, 2001

**TOTAL  
BALANCE SHEET  
ASSETS**

**\$63.5 Bn**  
*\$67.3 Bn*

**Trade Credit**

**\$16.3 Bn**

*\$19.9 Bn*

- Price risk management assets,  
net of credit reserves
- Accounts receivable

**Part 1 • Trade Credit Update**

**Part 2 • Investment Portfolio**

**Part 3 • Enron Energy Services**

**Part 4 • Market Risk Update**

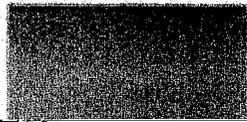
# Trade Credit Update

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# Trade Credit Portfolio

as of June 30, 2001  
In \$Bn's

■ Investment Grade  
■ Non-Investment Grade



82%  
18%

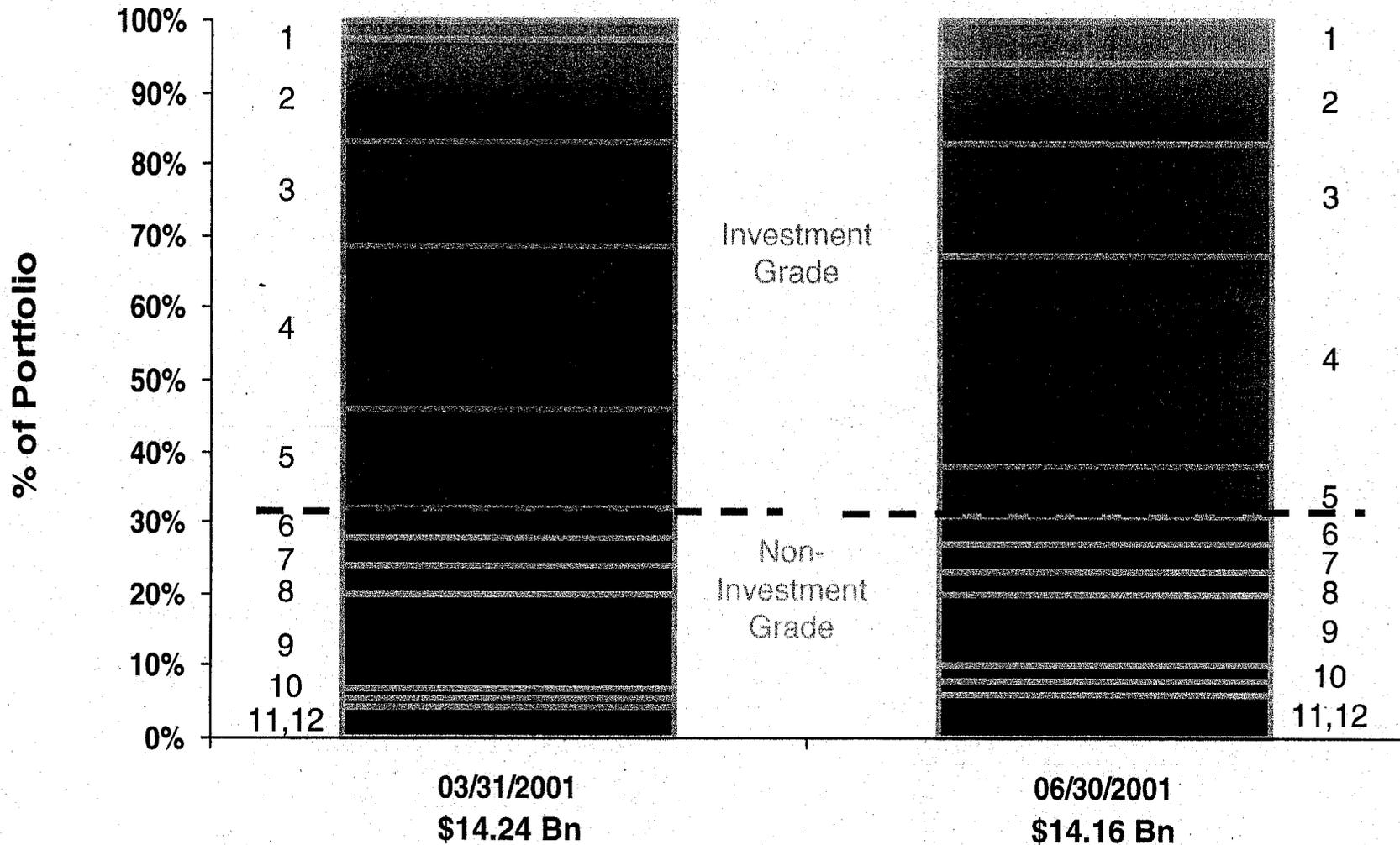
(\$1.15)  
(\$3.74)

79%



(\$0.59)  
(\$1.46)

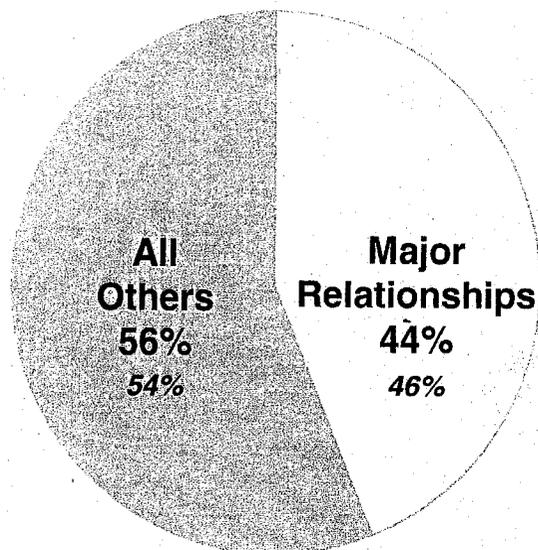
# Net Credit Exposure by E-Rating



# Major Relationships

as of June 30, 2001

Total Net Exposure \$14.16 Bn



Parent E-Rating	Relationship	Gross Exposure In \$MM's	Collateral In \$MM's	Net Exposure In \$MM's
4	TXU Corp.	1,857	(277)	1,580
5	Sierra Pacific Resources	570	-	570
12	PG&E Corp.	505	-	505
1	Koch Industries, Inc.	404	-	404
4	El Paso Corporation	384	-	384
4	Dynegy Inc.	268	-	268
1	BP p.l.c.	330	(92)	238
3	Coral Energy Holding, L.P.	227	-	227
1	Government Of The United States	203	-	203
3	TransAlta Corporation	191	(1)	190
6	Calpine Corporation	164	-	164
11	Edison International	154	(5)	149
3	TransCanada Pipelines Limited	140	-	140
2	FPL Group Inc.	140	-	140
5	Avista Corporation	118	-	118
4	Dominion Resources Inc.	110	-	110
2	Ronneville Power Administration	105	-	105
3	Public Utility District No. 1 of Snohomish County	98	-	98
6	CMS Energy Corporation	90	-	90
4	Tosco Corporation	86	-	86
5	Canadian Natural Resources Ltd.	86	-	86
3	American Electric Power Company Inc.	83	-	83
3	Westcoast Energy Inc.	82	-	82
3	Sempra Energy	177	(97)	80
4	Petro-Canada	79	-	79
2	Duke Energy Corporation	105	(66)	39
4	Reliant Energy Inc.	182	(149)	33
<b>Major Relationships Total</b>		<b>6,938</b>	<b>(687)</b>	<b>6,251</b>

Counterparties new to "Major Relationships" list

Non-Investment Grade Credit Exposures

# Top 25 Net Credit Exposures for June 30, 2001

In \$MM's

E-Rating

Counterparty Name (Legal Entity)

March 31, 2001

June 30, 2001

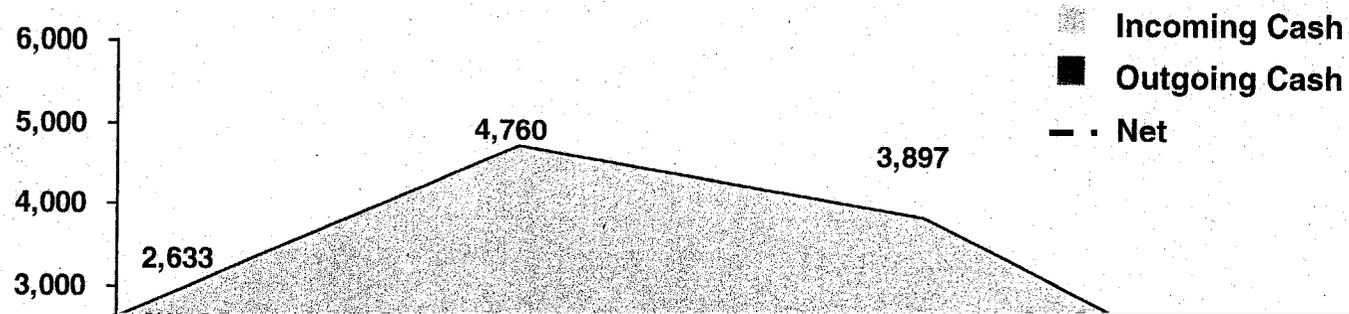
# Collateral\*

as of June 30, 2001  
In \$MM's

Counterparty	Amount	Counterparty	Amount
<b>CASH POSITIONS</b>		<b>INCOMING LETTERS OF CREDIT</b>	
The Chase Manhattan Bank (1)	586	Allegheny Energy Supply Company, LLC	177
Reliant Energy Services, Inc.	135	TXU Energy Trading Company	115
Morgan Stanley Capital Group Inc.	120	Constellation Power Source, Inc.	75
BP Corporation North America Inc.	92	Axia Energy,LP	44
The New Power Company	70	Woodward Marketing, L.L.C.	26
Duke Energy Trading and Marketing, L.L.C.	66	The Premcor Refining Group, Inc.	20
PG&E Energy Trading - Power, L.P.	60	Reliant Energy Services Canada Ltd.	18
Sempra Energy Trading Corp.	42	Global Crossing Bandwidth, Inc.	18

# Change in Cash Collateral\*

In \$MM's



# Top 5 Country Net Credit Exposures \*

In \$MM's

E-Rating	Country	March 31, 2001	% of Total	June 30, 2001	% of Total
1	USA	9,977	70%	10,246	72%
1	United Kingdom	1,817	13%	1,833	13%
1	Canada	1,755	12%	1,356	10%
1	Germany	150	1%	127	1%
4	Czech Republic	N/A		47	
<b>Top 5 Total</b>				<b>13,609</b>	
<b>Other Net Credit Exposures</b>				<b>551</b>	
<b>Total Net Credit Exposure</b>				<b>14,160</b>	

Sweden	43
Switzerland	42
Australia	37
Netherlands	36
Mexico	33
Slovakia	30
Norway	27
Cayman Islands	27
China	26
Italy	21
Croatia	20
Colombia	17
Belgium	16
France	16
South Korea	13
Japan	12
Finland	11
Bermuda	11
Slovenia	10
Brazil	10
Hong Kong	9

Counterparties new to "Top 5" list

United

# California Update

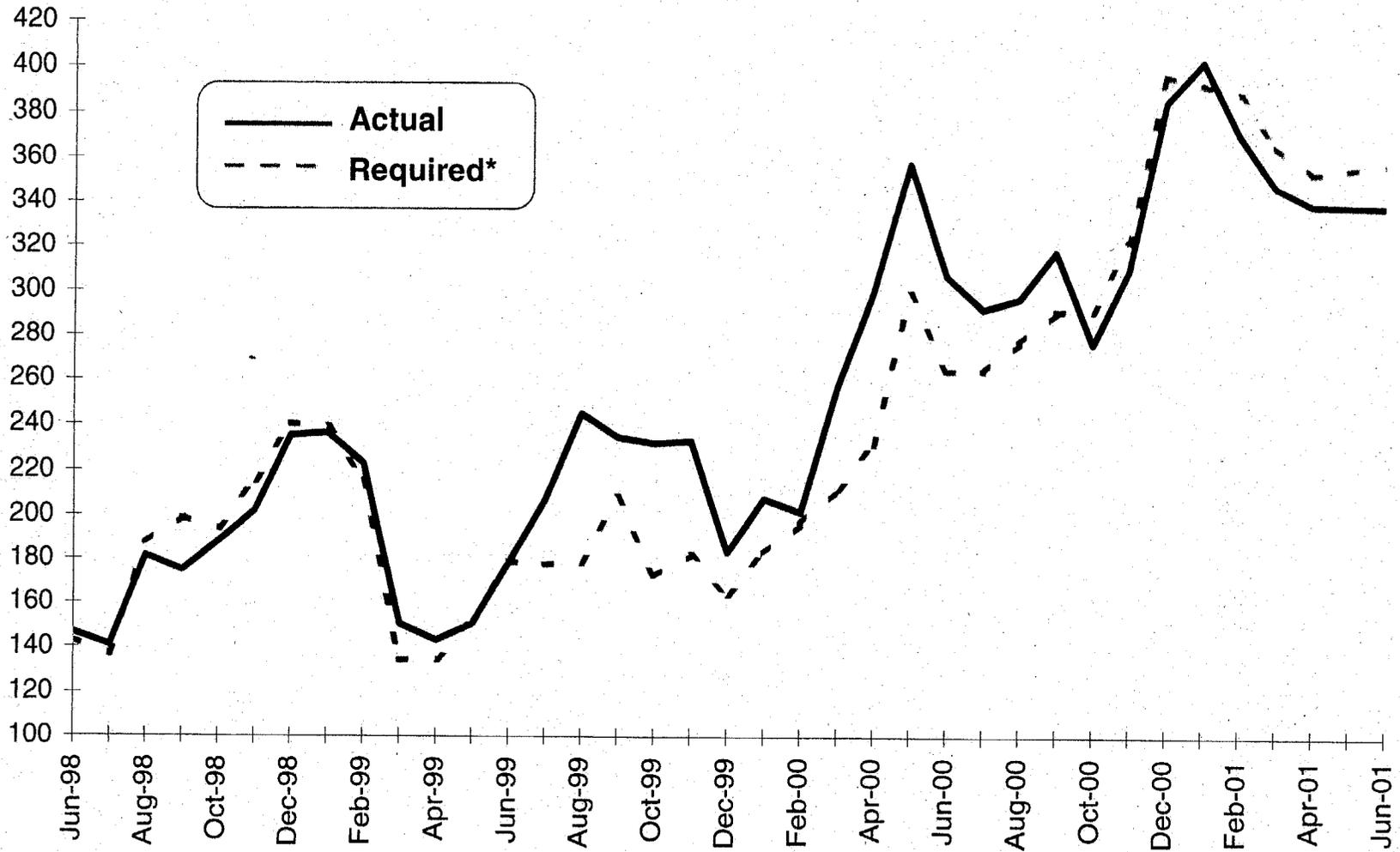
In \$MM's

<u>Utility Exposure</u>	<u>Net Exposure</u>	<u>Trading Affiliates</u>	<u>Net Exposure</u>
Pacific Gas & Electric Company	474	PG&E Energy Trading, Canada Corporation	25
		PG&E Gas Transmission, Northwest Corporation	5
		PG&E Energy Trading-Gas Corporation	1
		<b>Total PG&amp;E Affiliates</b>	<b>31</b>
Southern California Edison Company	145	Edison Mission Marketing & Trading Inc.	2
		Edison International	2
		<b>Total Edison Affiliates</b>	<b>4</b>
<b>Total Utility Exposure</b>	<b>619</b>	<b>Total Trading Affiliates</b>	<b>35</b>

- ◆ **Pacific Gas & Electric Company filed bankruptcy on April 6, 2001. Enron is a member of PG&E's creditor committee.**
- ◆ **Southern California Edison Company is in default on bank debt. No bankruptcy filing to date.**
- ◆ **Lower spot power and gas prices, favorable filing by California Department of Water Resources, and current rate environment should improve ability for utilities to recoup past power cost.**

# Credit Reserve Historical Comparison

In \$MM's



\* Required Reserve: Amount of reserve required for existing portfolio after simulating defaults and assuming 50% recovery.

# Investment Portfolio

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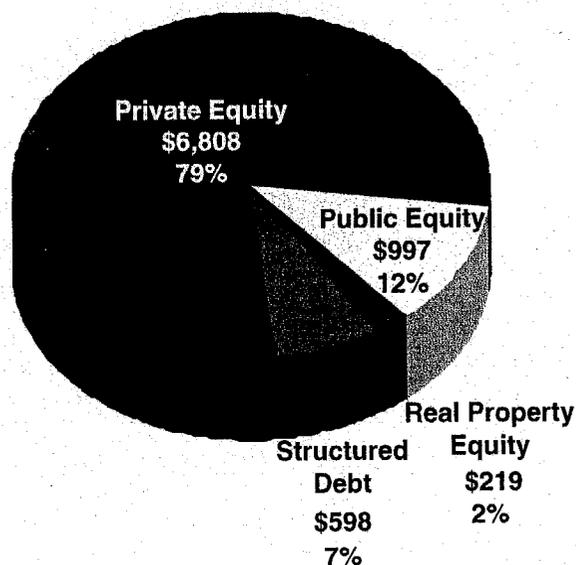
**4-13**

# Investment Portfolio Summary \*

In \$MM's

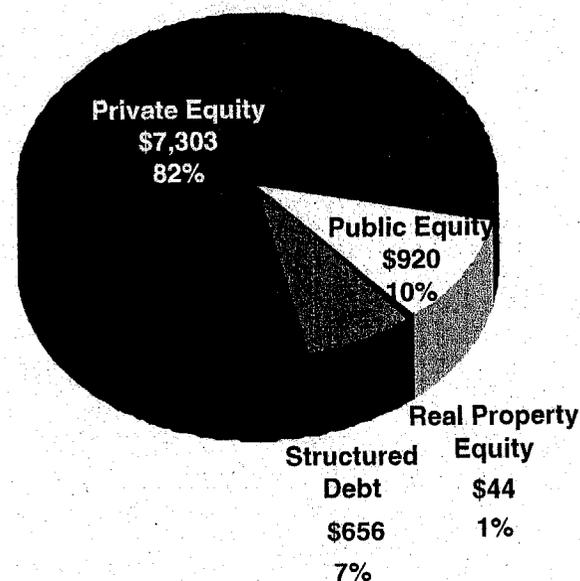
3/31/01

Net Portfolio Carry Value \$8,622



6/30/01

Net Portfolio Carry Value \$8,923



## Q2 2001 Activity

Net Portfolio Carry Value 3/31/01	Net Additions	Net Disposals	Syndications	Change in Valuation	Net Portfolio Carry Value 6/30/01
\$8,622	\$758**	(\$238)	(\$201)	(\$18)	\$8,923

\* Investment Portfolio excludes EES, Azurix, Dark Fiber Assets, Enron Wind Corp, Enron Transportation Services, Bridgeline, TNPC, etc.  
 \*\* Includes \$357MM related to Daishowa/Project Crane funded in Q2 2001 (approved in Q4 2000) and \$105MM related to Cuiaba.

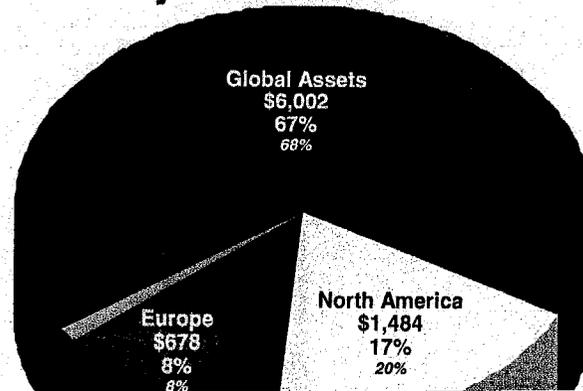
# Summary of Investment Portfolio

as of June 30, 2001

In \$MM's

Net Portfolio Carry Value \$8,923

by Business Unit



# Portfolio Summary

as of June 30, 2001

In \$MM's

Net Portfolio Carry Value \$8,923

## Exceeds Expectations

EcoElectrica, L.P. Equity	197
Vengas	142

## Meets Expectations

by Performance Category

# **Enron Energy Services**

EC004404270

**4-17**

# EES Reorganization

- Management and legal groups have been completely revamped and task forces formed to address major challenges.
- RAC will continue to monitor progress and report to the Board.

EC004404271

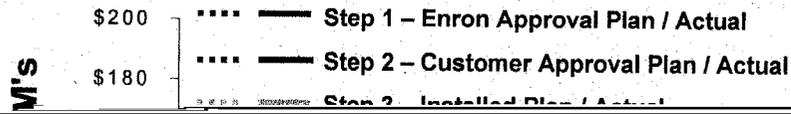
# Major Challenges Update

- Tariff Exposure**      Uncertainty surrounding Direct Access in California. Unfavorable legislative vote could require switching customers back to utility service resulting in losses and regulatory risks.
- Continued unfavorable changes of tariff components including generation, transmission and distribution charges and Competitive Transition Charges.
- Credit Exposure**      Credit exposure is not aggregated accurately due to deficiencies in deal capture, risk management and settlements.
- High working capital requirements continue due to contract structures and inadequate infrastructure in settlements.
- Operational Risk**      Existing deficiencies in the front, middle and back office processes result in an inability to mass market.
- Consumption Risk / Load Shape**      Inability to capture, quantify and manage changes in customers' overall consumption patterns and changes in load profiles.

EC004404272

# Energy Asset Projects

Net Present Value as of July 27, 2001



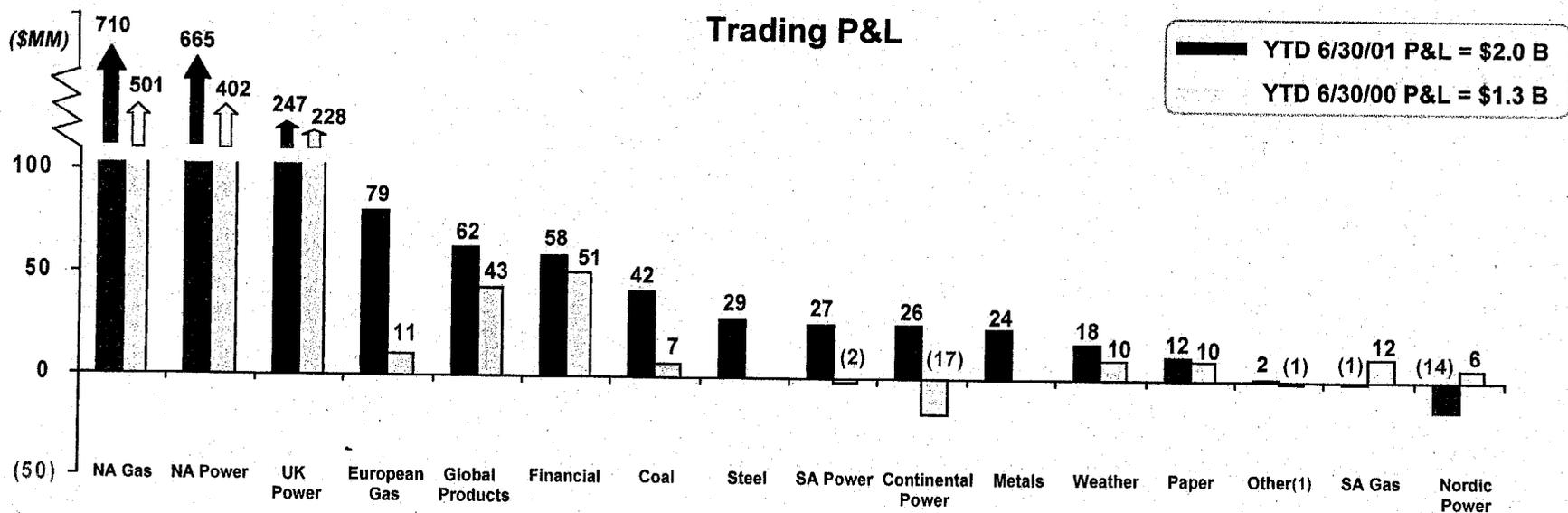
# **Market Risk Update**

EC004404274

**4-21**

# Risk Profile by Product

## Six Months Ended June 30, 2001 and 2000



# Risk Profile by Market Concentration and Business Unit

## Six Months Ended June 30, 2001 and 2000

### Market Concentration<sup>(1)</sup>

Trading P&L  
(\$MM)

750 712 605

YTD 6/30/01 P&L = \$2.0 B

YTD 6/30/00 P&L = \$1.3 B

### Business Unit Comparison

Trading P&L  
(\$MM)

1 404

YTD Trading P&L = \$2.0 B

EC004404277

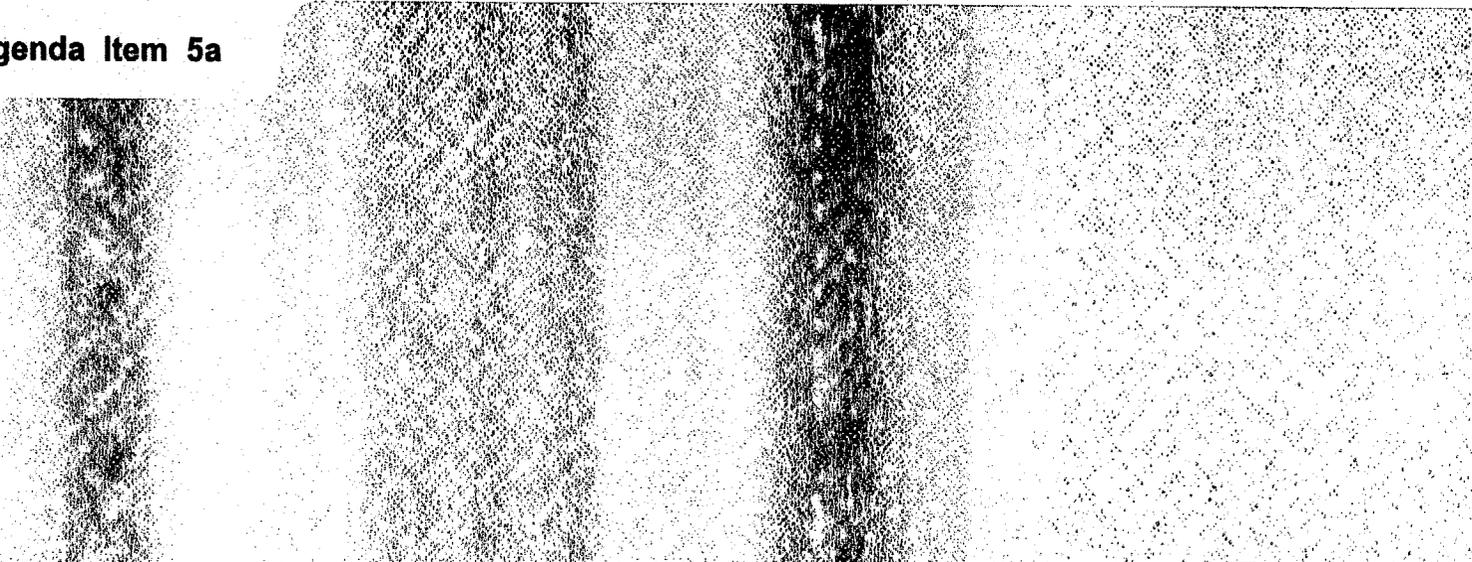
# **Enron Corp.**

**Projects and Amendments**

**August 13, 2001**

EC004404279

**Agenda Item 5a**



**AGENDA ITEM 5(a)**  
**(SUGGESTED FORM OF RESOLUTIONS)**

RESOLVED, that any two of the following officers of the Company are hereby authorized and empowered to open and maintain one or more accounts in the name of the Company with any securities brokerage firms (the "Brokers") which such officers, in their discretion, deem appropriate to use for the purpose of purchasing, investing in, or otherwise acquiring, possessing, selling, effecting transactions in, or dealing in, securities, including, but not limited to stocks, bonds, options, etc. (the "Securities"), all within the guidelines and limitations of the Company's Investment Policy (the "Investment Policy") as in effect from time to time: the Chairman of the Board, the President and Chief Executive Officer, the Executive Vice President and Chief Risk Officer, the Executive Vice President and Chief Financial Officer, the Managing Director, Finance and Treasurer and Timothy A. DeSpain, Deputy Treasurer (the "Authorized Officers");

RESOLVED FURTHER, that any of the Authorized Officers be, and they hereby are, authorized and directed, for and in the name and on behalf of the Company, to give written or oral instructions to any Brokers by telephone, facsimile transmission, or otherwise with respect to any Securities transactions in connection with any such account; to pay cash or by checks and/or drafts drawn upon the funds of the Company, such sums as may be necessary in connection with

of the Company who shall have the authority to effect the transactions in Securities enumerated in these resolutions, within the limitations and conditions determined by such officers in their discretion and specified in such Officers' Certificate, such limitations and conditions to be not less restrictive than those imposed by the Company's Investment Policy and/or (2) certify in writing compliance with the guidelines and limitations of the Company's Investment Policy;

RESOLVED FURTHER, that any Broker may rely upon an Officers' Certificate given in accordance with these resolutions as conclusive and it shall be effective for all transactions made in reliance upon it until after such Broker receives written notice of a change in or the rescission of authority;

RESOLVED FURTHER, that any two of the Authorized Officers of the Company be, and they hereby are, authorized

**Agenda Item 6**

EC004401

# Other Business

EC004404283

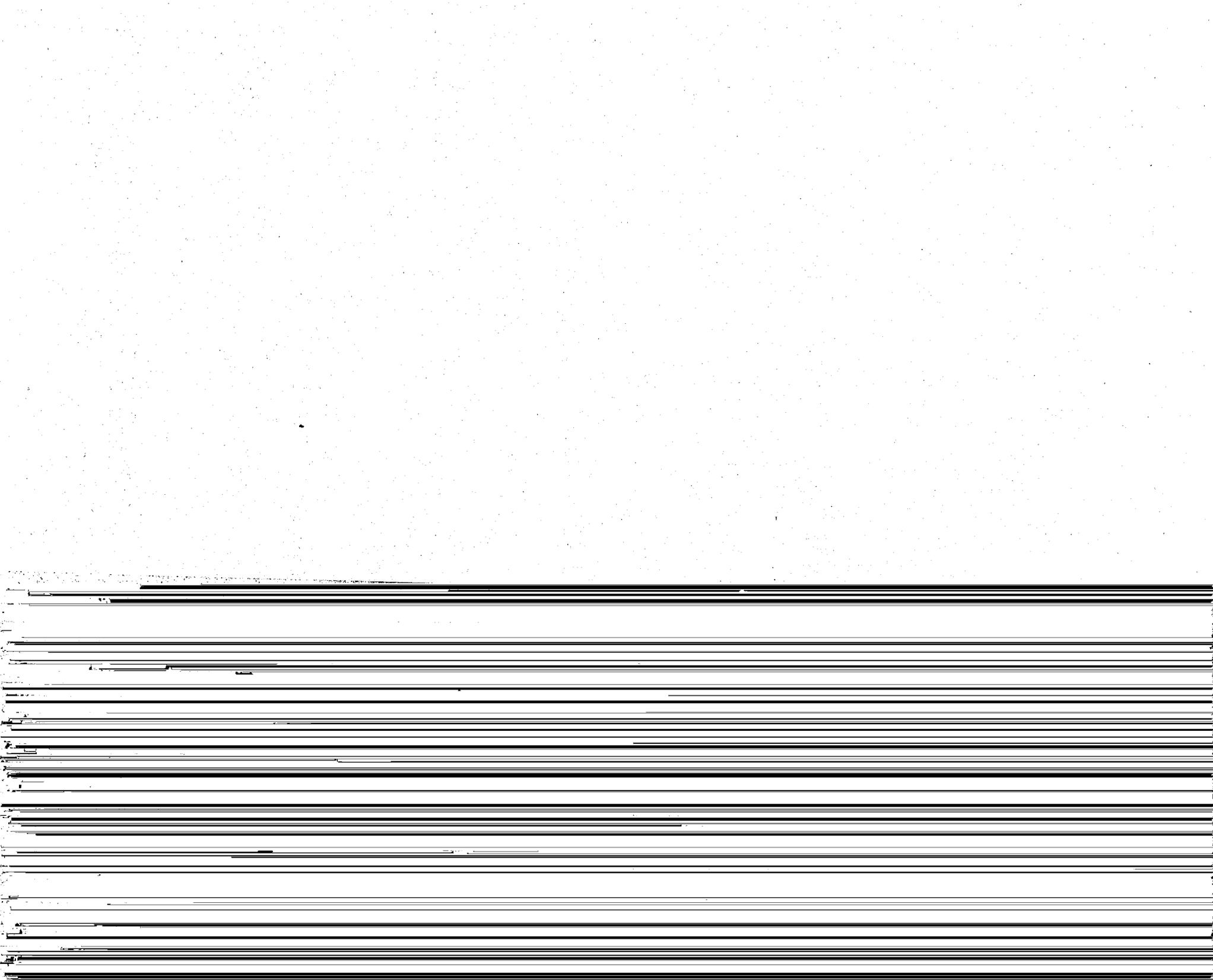
6-1

**Agenda Item 7**

# Adjourn

EC004404285

7-1



		Page
1. Approval of April 30, 2001 Finance Committee Minutes	<b>Mr. Winokur</b>	1-1
2. Chief Financial Officer Report	<b>Mr. Fastow</b>	2-1
3. Treasurer Report	<b>Mr. Glisan</b>	3-1
4. Chief Risk Officer Report	<b>Mr. Buy</b>	4-1
<b>Quarterly Risk Update</b>		
- Enron's Assets		4-2
- Trade Credit Update		4-3
- Investment Portfolio		4-13
- Enron Energy Services		4-17
- Market Risk Update		4-21
5. Projects and Amendments		5-1
A) <b>Brokerage Account Authorization</b>	<b>Mr. Glisan</b>	5A-1
- Approve for Recommendation to the Board		
6. Other Business		6-1
7. Adjourn		7-1

EC004404287

*See Addendum for Deal Approval Sheets approved between Board meetings*



Finance Committee Meeting