SECURITIES AND EXCHANGE COMMISSION
(Release No. 35-27809; 70-10200)

Enron Corp., *et al.*
Memorandum Opinion and Order Authorizing External and Intrasystem Financing and Related Transactions; Authorizing Service Agreements; and Reserving Jurisdiction

March 9, 2004

Enron Corp. ("Enron") Houston, Texas, a public-utility holding company, on its behalf and on behalf of its subsidiaries, including Portland General Electric Company ("Portland General"), Portland, Oregon, a public-utility company (collectively, "Applicants"),[1] have filed an application-declaration, as amended ("Application") with the Securities and Exchange Commission ("Commission") under sections 6(a), 7, 9(a), 10, 12, and 13 of the Public Utility Holding Company Act of 1935, as amended ("Act"), and rules 16, 42-46, 52-53, 54, 80-87, 90-91 under the Act.

Applicants request authority for certain financing, nonutility corporate reorganizations, dividend, affiliate sales of goods and services and other transactions needed to allow the Applicants to continue their businesses as both debtors in possession in bankruptcy and non-debtors. Such authority is requested commencing on the effective date of an order issued in this matter and ending the earlier of the deregistration of Enron and July 31, 2005 ("Authorization Period"). The Commission issued a notice of the Application on February 6, 2004 (Holding Co. Act Release No. 27799). No request for a hearing was received.

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[1] Applicants include both debtor and non-debtor subsidiaries of Enron. All capitalized terms not defined in the text of this order ("Omnibus Order") are defined in the glossary (Exhibit A) to the Omnibus Order.

I. Introduction

A. Enron and its Subsidiaries

Enron is a public-utility holding company within the meaning of the Act by reason of its ownership of all of the outstanding voting securities of Portland General, an Oregon electric public-utility company. From 1985 through mid-2001, Enron grew from a domestic natural gas pipeline company into a large global natural gas and power company. Headquartered in Houston, Texas, Enron and its subsidiaries historically provided products and services related to natural gas, electricity, and communications to wholesale and retail customers. As of December 2001, the Enron companies employed approximately 32,000 individuals worldwide. The Enron companies were principally engaged in (a) the marketing of natural gas, electricity and other commodities, and related risk management and finance services worldwide, (b) the delivery and management of energy commodities and capabilities to end-use retail customers in the industrial and commercial business sectors, (c) the generation, transmission, and distribution of electricity to markets in the northwestern United States, (d) the transportation of natural gas through pipelines to markets throughout the United States, and (e) the development, construction, and operation of power plants, pipelines, and other energy-related assets worldwide.

B. Status of Enron under the Act

Enron became a public-utility holding company when it acquired Portland General in 1997. Enron originally claimed exemption from registration under section 3(a)(1) of the Act by filings pursuant to rule 2. Enron subsequently filed two applications for exemption, one requesting an order under section 3(a)(1) of the Act and the other

seeking an exemption by order under section 3(a)(3) or section 3(a)(5) of the Act. By order dated December 29, 2003, the Commission denied the requests for exemption. Enron subsequently filed an application for exemption under section 3(a)(4) of the Act on behalf of itself and two other entities. This application, as it related to Enron but not the other two applicants, was set for hearing by order of the Commission dated January 14, 2004.

In the last quarter of 2001, the Enron companies lost access to the capital markets, both debt and equity, and had insufficient liquidity and financial resources to satisfy their current financial obligations. On December 2, 2001, Enron and certain of its subsidiaries each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). As of today, one hundred eighty (180) Enron-related entities have filed voluntary petitions. Under sections 1107 and 1108 of the Bankruptcy Code, Enron and its subsidiaries that have filed voluntary petitions ("Debtors") continue to operate their businesses and manage their properties as debtors in possession. Portland General, Enron's sole public-utility subsidiary company, is not in bankruptcy. Many other Enron companies that are operating companies have not filed bankruptcy petitions and continue to operate their businesses.

Enron and the Commission's Division of Investment Management have held discussions regarding the registration of Enron as a public-utility holding company under section 5 of the Act, the Debtors' fifth amended plan (the "Plan"), the solicitation of votes accepting or rejecting the Plan, and various transactions in furtherance of the Chapter 11 Cases that may require Commission authorization under the Act, if Enron

were a registrant under the Act. In addition, Enron has proposed a comprehensive settlement of the exemption application in Admin. Proc. File No. 3-11373.

In a companion filing with the Commission noticed on February 6, 2004 ("Plan Application"), Applicants request an order: (i) approving the Plan under section 11(f) of the Act; (ii) issuing a report on the Plan under section 11(g) of the Act; and (iii) authorizing Debtors under rules 60 and 62-64 to continue the Bankruptcy Court's authorized solicitation of votes of the Debtors' creditors for acceptances or rejections of the Plan and to make available to creditors a report on the Plan, as prescribed in section 11(g) of the Act.[2]

It is intended that the Commission's authorization of both applications would give the Enron group companies sufficient authorization under the Act to solicit creditor votes for the Plan, obtain the confirmation of the Plan before the Bankruptcy Court, implement the Plan, and conduct business within the parameters specified in the Application, pending the confirmation and full implementation of the Plan.[3] The Plan Application and the Omnibus Application and the orders approving them are predicated on Enron registering under the Act prior to or simultaneously with the Commission's issuances of the requested orders.

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[2] Holding Co. Act Release No. 27800 (notice of the Plan Application).

[3] Applicants submit that, in accordance with existing projections, existing Enron common stock and preferred stock are highly unlikely to receive any distributions pursuant to the Plan. However, the Plan provides Enron stockholders with a contingent right to receive a recovery in the event that the total amount of Enron's assets, including recoveries in association with litigation and the subordination, waiver or disallowance of Claims in connection therewith, exceeds the total amount of Allowed Claims against Enron. No distributions will be made in accordance with the Plan to holders of equity interests unless and until all unsecured claims are fully satisfied.

If, as proposed under the Plan, Enron sells the common stock of Portland General to an unaffiliated purchaser or distributes the stock to the Debtors' creditors or to a trust, Enron would deregister as a holding company upon the completion of the transaction. Enron will file a separate application with the Commission to seek authorization under section 12(d) of the Act for the sale of Portland General to a third party or the distribution of the common stock of Portland General to creditors or to a trust.

C. The Chapter 11 Cases

The Debtors have been engaged, since the commencement of the chapter 11 cases, in the rehabilitation and disposition of their assets to satisfy the claims of creditors. The Debtors have been consolidating, selling businesses and assets, dissolving entities and simplifying their complex corporate structure. The Debtors also have been involved in the settlement of numerous contracts related to wholesale and retail trading of various commodities. The Debtors are holding cash from prior sales pending distribution under a chapter 11 plan and are positioning other assets for sale or other disposition. In this process, hundreds of corporations have been or will be liquidated. Eventually, substantially all of the Debtors, including Enron, will be liquidated.

The Debtors have worked with the Official Committee of Unsecured Creditors appointed in the Debtors' chapter 11 cases (the "Creditors' Committee"), the examiner appointed by the Bankruptcy Court with respect to the chapter 11 case of Enron North America Corp. ("ENA") and individual creditor groups to formulate a chapter 11 plan. On July 11, 2003, the Debtors filed a joint chapter 11 plan and a related disclosure statement which documents were subsequently amended several times. On January 12, 2004, the Debtors filed the Plan and a related amended disclosure statement with the

Bankruptcy Court.[4] A hearing to consider the adequacy of the information contained in the disclosure statement was held commencing on January 6, 2004. On January 9, 2004, the Bankruptcy Court issued two orders approving the disclosure statement for the Plan, establishing voting procedures and ordering the solicitation of votes approving or rejecting the Plan.

The Plan provides for the appointment of a Reorganized Debtor Plan Administrator ("Administrator") on the Effective Date for the purpose of carrying out the provisions of the Plan. Under the Plan, the Administrator would be Stephen Forbes Cooper, LLC, an entity headed by Stephen Forbes Cooper, Enron's Acting President, Acting Chief Executive Officer and Chief Restructuring Officer. In accordance with the Plan, the Administrator shall be responsible for implementing the distribution of the assets in the Debtors' estates to the creditors, including, without limitation, the divestiture of Portland General common stock or the sale of that stock followed by the distribution of the proceeds to the Debtors' creditors and, possibly, equity interest holders. In addition, pursuant to the Plan, as of the Effective Date, the Reorganized Debtors will assist the Administrator in performing the following activities: (a) holding the Operating Entities, including Portland General, for the benefit of creditors and providing certain transition services to such entities, (b) liquidating the Remaining Assets, (c) making distributions to creditors pursuant to the terms of the Plan, (d) prosecuting Claim objections and litigation, (e) winding up the Debtors' business affairs, and (f) otherwise implementing and effectuating the terms and provisions of the Plan.

[4] The Plan and related disclosure statement are available at www.enron.com and are included as exhibits to this Application.

II. Portland General

A. Background

As stated, Portland General is not a Debtor in the Chapter 11 Cases. Enron became a public-utility holding company when it acquired Portland General in 1997. Portland General is engaged in the generation, purchase, transmission and distribution and retail sale of electricity in Oregon. It also sells wholesale electric energy to utilities, brokers and power marketers throughout the western U.S.

The Oregon Public Utility Commission ("OPUC") regulates Portland General with respect to its rates, terms of service financings, affiliate transactions and other aspects of its business. The Federal Energy Regulatory Commission ("FERC") regulates its activities in the interstate wholesale power markets. In addition, Portland General may issue stocks, bonds, notes, or other evidences of indebtedness only with the prior approval of the OPUC and can use the proceeds only for the purpose specified in the OPUC order authorizing the issue.

As of the end of the September 30, 2003, fiscal quarter, Portland General had 52% common stock equity as a percentage of total capitalization. Portland General's secured and unsecured debt ratings are presently investment grade from both Moody's Investors Service and Standard and Poor's. Fitch Ratings rates Portland General's secured debt at investment grade and unsecured debt at below investment grade.

B. Insulation from Enron

Applicants state that in all material respects Portland General maintains a separate business from Enron. Among other things, Portland General maintains books and records separate from Enron; maintains bank accounts separate from Enron; does not commingle its assets with those of Enron; manages cash separately; holds all of its assets in its own name; conducts its own business in its own name; prepares and maintains separate financial statements; shows its assets and liabilities separate and apart from those of Enron; pays its own liabilities and expenses only out of its own funds; observes all corporate and other organizational formalities; maintains an arm's length relationship with Enron and enters into transactions with Enron only as permitted by state and federal authorities; pays the salaries of its own employees from its own funds; does not guarantee or become obligated for the debts of Enron; does not hold out its credit as available to satisfy the obligations of Enron; uses separate stationery, invoices and checks bearing its own name; does not pledge its assets for the benefit of Enron; maintains its own pension plan; holds itself out solely as a separate entity; corrects any known misunderstanding regarding its separate identity; does not identify itself as a division of Enron; and maintaining adequate capital in light of its contemplated business operations. Portland General, Enron and other affiliates have, however, filed consolidated tax returns and utilized tax-sharing arrangements that are commonly utilized by affiliated corporations that file consolidated tax returns.

In an effort to preserve Portland General's credit rating, a bankruptcy remote structure was created.[5] In addition, a number of restrictions were put in place with the approval of OPUC at the time of Enron's acquisition of Portland General in 1997. Among other things, Portland General may not make any equity distribution to Enron that would cause Portland General's equity capital to fall below forty-eight percent (48%) of Portland General's total capital without OPUC approval.[6] Portland General has not paid cash dividends to Enron since the second quarter of 2001. Enron is required to disclose to the OPUC on a timely basis (as defined in the condition) its intent to transfer more than five percent of Portland General's retained earnings over a six-month period (60 days before beginning the transfer), its intent to declare a special cash dividend from Portland General (30 days before the declaration); and its most recent quarterly common stock cash dividend payment (30 days after the declaration). Issuance of short-term debt does not require OPUC approval but does require the approval of the FERC. After the registration of Enron, such issuances would also require approval of this Commission.

[5] This structure requires the affirmative vote of an independent shareholder who holds a share of limited voting junior preferred stock of Portland General before Portland General can be placed into bankruptcy unilaterally by Enron, except in certain carefully prescribed circumstances in which the reason for the bankruptcy is to implement a transaction pursuant to which all of Portland General's debt will be paid or assumed without impairment.

[6] This obligation is set forth as condition 6 of the stipulation attached as Appendix A and made part of OPUC Order No. 97-196 (the "Enron Merger Order") issued in docket UM 814, the Matter of the Application of Enron Corp. for an Order Authorizing the Exercise of Influence over Portland General Electric Company.

C. Proposed Sale

Enron has entered into an agreement to sell its only public-utility subsidiary, Portland General. The Plan also provides that Portland General would be sold or, in the event such transaction cannot be consummated, distributed to creditors as soon as requisite consents can be obtained. As a possible intermediate step, the common stock of Portland General may be contributed to a trust ("PGE Trust")[7] that may be formed by December 31, 2004. As noted previously, Enron will file a separate application with the Commission to seek authorization under section 12(d) of the Act for the sale of Portland General to a third party or the distribution of the common stock of Portland General to creditors or to a trust.[8]

III. Requested Authority[9]

In addition to the sale of Portland General, other key aspects of the Plan include the formation of two holding companies: Prisma Energy International Inc. ("Prisma") and CrossCountry Energy Corp. ("CrossCountry").

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[7] There may be an adjustment in the number of Portland common shares prior to contribution to the PGE Trust and in all events prior to distribution to creditors. If the Portland General common stock is distributed to creditors rather than sold as described in this Application, it is intended that the current Portland General shares of common stock will be canceled and 80 million shares of new Portland General common stock will be authorized and approximately 62.5 million shares issued pursuant to the Plan, in each case, representing 100% of the common equity of Portland General.

[8] The requested order in this filing would not authorize those transactions.

[9] Financing parameters that pertain to Portland General are discussed in section III.C.6 of this order; financing parameters that pertain to financings other than those of Portland General are generally discussed in section IV.A. of this order.

A. Prisma

Prisma, a Cayman Islands limited liability company, was organized on June 24, 2003, for the purpose of acquiring the Prisma Assets, which include equity interests in certain international energy infrastructure businesses that are indirectly owned by Enron and certain of its affiliates, intercompany loans to the businesses held by affiliates of Enron, and contractual rights held by affiliates of Enron. Enron and its affiliates will contribute the Prisma Assets to Prisma in exchange for shares of Prisma Common Stock commensurate with the value of the Prisma Assets contributed.

Prisma, Enron, and its affiliates also expect to enter into certain ancillary agreements, which may include a new Transition Services Agreement, a tax allocation agreement ("Prisma Tax Allocation Agreement") and a license agreement ("Prisma Cross License Agreement"). As approved by the Bankruptcy Court, Enron and its affiliates entered into four separate Transition Services Agreements, pursuant to which such employees will continue to supervise and manage the Prisma Assets and other international assets and interests owned or operated by Enron and its affiliates. The ancillary agreements, together with the Prisma Contribution and Separation Agreement, will govern the relationship between Prisma and Enron and its affiliates subsequent to the contribution of the Prisma Assets, provide for the performance of certain interim services, and define other rights and obligations until the distribution of shares of capital stock of Prisma pursuant to the Plan or the sale of the stock to a third party. In addition, the Prisma Contribution and Separation Agreement or the ancillary agreements are expected to set forth certain shareholder protection provisions with respect to Prisma and may contain indemnification obligations of the Prisma Enron Parties.

No operating businesses or assets have been transferred to Prisma at this time; however, subject to obtaining requisite consents, the Debtors intend to transfer the businesses described above to Prisma, either in connection with the Plan or at such earlier date as may be determined by Enron and approved by the Bankruptcy Court.

Prisma will be an energy infrastructure company engaged in the generation and distribution of electricity, the transportation and distribution of natural gas and liquefied petroleum gas, and the processing of natural gas liquids. Applicants intend that Prisma will certify as a foreign utility company ("FUCO") under section 33 of the Act prior to the transfer of the businesses described above to Prisma.

Applicants state that certain indemnification agreements between the Enron group[10] companies in connection with the contribution of the Prisma Assets would constitute the extension of credit among associate companies and require Commission authorization under section 12(b) of the Act and rule 45(a) under the Act. In addition, Applicants state that the Prisma Tax Allocation Agreement to be entered into among Prisma and its subsidiaries and Enron would comply with the requirements of rule 45(c) under the Act in all material respects, except that it would permit Enron to receive payment from the subsidiaries filing jointly with Enron for the value of any net operating losses or other tax attributes that resulted in a reduction in the consolidated tax, ratably with any other Enron subsidiary also contributing such tax benefits to the consolidated tax group. Accordingly, Applicants seek authorization to enter into indemnification agreements and the Prisma Tax Allocation Agreement in connection with the formation of Prisma, as authorized by the Bankruptcy Court and as described above.

[10] "Enron group" includes all of Enron's subsidiaries, whether or not they are Debtors.

B. Cross Country

CrossCountry was incorporated in the State of Delaware on May 22, 2003. On June 24, 2003, CrossCountry and the CrossCountry Enron Parties entered into the original CrossCountry Contribution and Separation Agreement providing for the contribution of Enron's direct and indirect interests in its interstate pipelines and other related assets to CrossCountry. On September 25, 2003, the Bankruptcy Court issued an order approving the transfer of the pipeline interests and the related assets from the CrossCountry Enron Parties to CrossCountry and other related transactions, pursuant to the original CrossCountry Contribution and Separation Agreement.[11]

Under the Amended and Restated Contribution and Separation Agreement, Enron and certain of its affiliates will contribute their ownership interests in certain gas transmission pipeline businesses and certain nonutility service companies to CrossCountry Energy LLC ("CrossCountry LLC") in exchange for equity interests in CrossCountry LLC.[12] The closing of the transactions contemplated by the Amended and Restated Contribution and Separation Agreement is expected to occur as soon as possible. It is anticipated that, following confirmation of the Plan and prior to the CrossCountry distribution date, the equity interests in CrossCountry LLC will be

[11] That order contemplates that the parties may make certain modifications to the original Contribution and Separation Agreement. The parties have negotiated an Amended and Restated Contribution and Separation Agreement that incorporates certain changes to the original Contribution and Separation Agreement, including the substitution of CrossCountry Energy LLC ("CrossCountry LLC") in place of CrossCountry as the holding company owning the pipeline interests.

[12] Pursuant to the Amended and Restated Contribution and Separation Agreement, Enron, Enron Operation, LP, and Enron Transportation Services Company would contribute their interests in Northern Plain Natural Gas Company, Citrus Corp., CGNN Holding Company, Inc. and their respective pipelines to CrossCountry

exchanged for equity interests in CrossCountry Distributing Company in the CrossCountry transaction. As a result of the CrossCountry transaction, CrossCountry Distributing Company will obtain direct or indirect ownership in the Pipeline Businesses and certain service companies described below.

Applicants maintain that the contribution of the interests in the gas pipeline businesses to CrossCountry LLC under the Amended and Restated Contribution and Separation Agreement, in exchange for equity interests in CrossCountry LLC, would be exempt capital contributions under rule 45(b)(4) under the Act. Applicants state that the agreements among companies in the Enron group to indemnify other Enron group companies in connection with the contribution of these businesses and the financing of the CrossCountry entities constitute extensions of credit among associate companies under section 12(b) of the Act and rule 45(a) under the Act. In addition, the Amended and Restated Contribution and Separation Agreement contemplates that a tax allocation agreement ("CrossCountry Tax Allocation Agreement") would be entered into among CrossCountry and its subsidiaries and Enron. Applicants state that the CrossCountry Tax Allocation Agreement would comply with the requirements of rule 45(c) under the Act in all material respects, except that it would permit Enron to receive payment from the subsidiaries filing jointly with Enron for the value of any net operating losses or other tax attributes that resulted in a reduction in the consolidated tax, ratably with any other Enron subsidiary also contributing such tax benefits to the consolidated tax group.

Therefore, Applicants seek authorization to enter into the CrossCountry Transaction consistent with the authorization granted by the Bankruptcy Court and with the terms and conditions of the Amended and Restated Contribution and Separation

Agreement, including, but not limited to, the indemnification agreements, the Tax Allocation Agreement, and related financing transactions in connection with the formation of CrossCountry, as authorized by the Bankruptcy Court and as described above.

C. Other Financing Transactions

1. Debtor-in-Possession ("DIP") Financing Arrangements

On December 2, 2001, Enron entered into a DIP Credit Agreement with several banks to provide a debtor-in-possession credit facility of $1.5 billion and a letter of credit sub-facility up to the amount of the aggregate available commitment. On December 4, 2001, the Bankruptcy Court entered the Interim DIP Order approving the DIP Credit Agreement on an interim basis and authorizing borrowings and issuances of letters of credit in an amount up to $250 million. The Debtors subsequently determined that, with the exception of the letters of credit, they did not foresee the need to borrow funds in the form or manner as contemplated by the DIP Credit Agreement. Accordingly, the Debtors sought to amend the DIP Credit Agreement, and on July 2, 2002, the Bankruptcy Court entered an order authorizing the Debtors to obtain post-petition financing through letters of credit only, pursuant to the Amended DIP Credit Agreement.

The Amended DIP Credit Agreement essentially permitted the Debtors to obtain up to $250 million in letter-of-credit financing, including a sub-limit of $50 million for the issuance of letters of credit, for the benefit of non-Debtor associates, and to use such letters of credit in the operation of their respective businesses. Pursuant to the terms of the Amended DIP Credit Agreement, Enron deposited $25 million in a letter-of-credit cushion account maintained at the offices of JP Morgan Chase Bank ("JPMCB"), and

each Debtor for whose benefit a letter of credit is to be issued must place cash collateral in an amount equal to 110% of the face amount of such letter of credit in a separate account maintained at the offices of JPMCB. The Amended DIP Credit Agreement does not require the Debtors to incur any new fees beyond those originally required under the DIP Credit Agreement. The Amended DIP Credit Agreement was scheduled to terminate on June 3, 2003.

On May 8, 2003, the Bankruptcy Court entered an order approving the extension of the Debtors' post-petition financing, pursuant to the Second Amended DIP Credit Agreement. The extension decreases the aggregate amount available for letters of credit to $150 million, increases the sub-limit for letters of credit issued for the benefit of non-Debtor associates to $65 million, decreases the amount deposited by Enron in the letter-of-credit cushion account to $15 million, and decreases JPMCB's and Citicorp's annual fees as collateral agent and paying agent, respectively, to $200,000 each. The Second Amended DIP Credit Agreement is scheduled to terminate on June 3, 2004. Enron paid an extension fee to the DIP Lenders in an amount equal to 0.20% of the aggregate amount available under the Second Amended DIP Credit Agreement. In addition, the Second Amended DIP Credit Agreement provides that Enron would pay a letter of credit fee of 150 basis points on the issued amount of any letter of credit, a commitment fee on the undrawn balance of the letter of credit facility of 50 basis points, a fronting fee on the issued amount of any letter of credit of 25 basis points and an applicable margin on unreimbursed letters of credit of 50 basis points.

Enron has four letters of credit outstanding under the Second Amended DIP Credit Agreement in the approximate aggregate amount of $24.5 million. Applicants

seek Commission authorization to continue to obtain letters of credit, or to extend the maturity of previously issued letters of credit, up to an aggregate amount of $150 million under the Second Amended DIP Credit Agreement, as now in effect or as it may subsequently be amended or extended by order of the Bankruptcy Court through The Authorization Period. Applicants also request authorization for additional debtors to become guarantors under the agreement when the Bankruptcy Court enters an applicability order with respect to such debtor making the provisions of the Second Amended DIP Credit Agreement applicable to such entity.

2. Pre-Petition Letters of Credit

In a limited number of instances, the Debtors may be obligated on reimbursement agreements in connection with certain letters that are still outstanding and which the issuing bank may choose to extend, without the consent or involvement of a Debtor. This renewal is beyond the control of the Debtors and the Debtors do not take any affirmative action in connection with such renewal. Absent such a renewal, the beneficiary of the letter of credit would have a right to draw on the letter of credit, to the detriment of both the lender that issued the letter of credit and the Debtors who have a pre-petition reimbursement obligation to such lenders. To the extent necessary, Applicants seek Commission authorization for such involuntary extension of the maturity of any such letter of credit.

3. Enron Cash Management

Enron has managed its cash on a centralized basis with funds loaned to or from Enron and to subsidiaries. On February 25, 2002, after notice and a two-day evidentiary hearing, the Bankruptcy Court entered the Amended Cash Management Order, which

was proposed by the Creditors' Committee with the consent of the Debtors. The Amended Cash Management Order authorizes the Debtors to continue using their centralized cash management system, subject to certain amendments. The amendments include, without limitation, a grant of adequate protection for intercompany transfers in the form of superpriority Junior Reimbursement Claims or Junior Liens.

Such Junior Reimbursement Claims and Junior Liens are junior and subject and subordinate only to the superpriority claims and liens granted to the DIP Lenders and their agent in respect of the Debtors' DIP obligations, and thus provide extensive protections to the Debtors and their creditors. The rate for notes entered into in connection with such loans bear interest at the rate of one-month London Interbank Offered Rate ("LIBOR") plus 250 bases points, measured on the first day of the month.

Although the Debtors are not substantively consolidated under chapter 11, for purposes of administering the estate and resolving the claims against the Debtors, the Debtors' chapter 11 cases are jointly administered and a global compromise and settlement has been reached among the Debtors, the ENA Examiner and the Creditors' Committee to treat the Enron group as a whole for some purposes.

Applicants seek Commission authorization to continue to borrow and lend funds between associate companies in accordance with the Amended Cash Management Order, as such order may be amended by the Bankruptcy Court. Portland General is not a lender to Enron or any other Enron group company under the Amended Cash Management Order or otherwise, and will not make loans under the authorization requested herein.

4. Portland General Cash Management Agreements

Portland General has entered into agreements with its wholly owned subsidiaries for cash management. Under the agreements, Portland General periodically transfers from the bank accounts of each subsidiary any cash held in the subsidiary's bank account. If the subsidiary has cash needs in excess of any amount remaining in the account, upon request, Portland General transfers the required amount into the subsidiary's bank account. Portland General does not pay interest on the amounts transferred from a subsidiary's account unless the closing balance of the amount transferred at the end of any month exceeds $500,000. Any interest paid is at an annual rate of 3% and is retained by Portland General until returned to the subsidiary to meets its cash needs. All administrative expenses are borne by Portland General. Portland General seeks authorization to continue to perform under such cash management agreements.

5. Global Trading Contract and Assets Settlement and Sales Agreements

Certain settlement agreements and asset sales entered into by Enron and its subsidiaries may involve extensions of credit among associate companies subject to section 12(b) of the Act and rule 45(a) under the Act. Enron's subsidiaries were extensively engaged in the retail and/or wholesale trading in various commodities including, among other things, energy, natural gas, paper pulp, oil and currencies. Subsequent to the bankruptcy filings, these companies now are engaged in settling these contracts with unaffiliated counterparties under a settlement process approved by both the Creditors' Committee and the Bankruptcy Court.

In addition, asset or stock sale agreements may be entered into between Enron and/or its subsidiaries and unaffiliated counterparties, involving extensions of credit

among associate companies, guarantees, and indemnifications. Accordingly, Applicants seek to continue to execute settlement agreements and asset or stock sale agreements.[13]

6. Portland General Short-Term Financing

Upon Enron's registration under the Act, Commission authorization would be required for Portland General to issue debt with a maturity of less than one year. Such securities are not required to be authorized by OPUC and the exemption provided by rule 52(a), therefore, would not be applicable.[14]

Portland General requests authorization to issue short-term debt in accordance with an existing short-term revolving credit facility with certain banks under the terms and conditions described below. In addition, Portland General requests authorization, through The Authorization Period, to issue short-term debt in the form of institutional borrowings, bid notes and commercial paper, as necessary to supplement or replace the short-term revolving credit facility. Portland General also requests authorization to issue letters of credit to provide credit support for trading contracts and other uses.

All issuances of short-term debt would not exceed $350 million in aggregate principal amount outstanding. Pricing and other terms at the time of issuance will be comparable to issuances by companies with comparable credit ratings and credit profile with respect to debt having similar maturities. In addition, Portland General will not issue any additional short-term debt if Portland General's common stock equity as a

[13] Any settlement or sale proceeds or costs aggregated as a result of a settlement will be allocated among the Enron group companies as required by the Bankruptcy Court. To the extent Portland General is engaged in a dispute over such a contract, it would resolve that matter independently, without participation of the Enron group companies.

[14] Portland General currently has FERC authorization to issue short-term debt up to $550 million.

percentage of total capitalization is less than 30%, after giving effect to the issuance. The effective cost of capital on short-term debt will not exceed competitive market rates available at the time of issuance for securities having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparable credit quality; provided that in no event will the effective cost of capital on short-term debt exceed 500 basis points over the LIBOR.

Portland General further commits that it would not issue short-term debt under the authorization requested herein unless, at the time of issuance, (i) the security to be issued, if rated, is rated investment grade, and (ii) all outstanding securities of the issuer that are rated are rated investment grade, in each case by at least one nationally recognized statistical rating organization. Applicants request that the Commission reserve jurisdiction over the issuance by Portland General of any short-term securities that are rated below investment grade pending completion of the record.

Under the terms of Portland General's $150 million 364-day revolving credit facility ("Facility"), Portland General currently has approximately $130 million available borrowing capacity. Portland General may borrow, repay and reborrow pursuant to the Facility for a period lasting through May 27, 2004. The Facility is secured by Portland General's first mortgage bonds. The security gives the lenders under the Facility *pari passu* status with Portland General's first mortgage bondholders.

Portland General proposes to use funds raised under the short-term authorization requested in this Application for general corporate purposes, including (1) financing, in part, investments by, and capital expenditures of, Portland General, (2) financing the working capital requirements of Portland General, (iii) funding future investments in

subsidiary companies, and (iv) repaying, redeeming, refunding or purchasing any securities issued by Portland General. As asserted previously, Portland General also may issue letters of credit to provide credit support for trading contracts and other uses, but would not use any financing authorized herein for businesses other than those conducted by Portland General and its subsidiaries. Portland General is restricted, without prior OPUC approval, from making dividend distributions to Enron that would reduce Portland General's common equity capital below 48% of total capitalization (excluding short-term borrowings).

Portland General also seeks authorization to issue additional short-term debt generally in the form of, but not limited to, institutional borrowings, commercial paper and bid notes as may be necessary to replace, extend, rearrange, modify or supplement the Facility described above. Portland General may sell commercial paper, from time to time, in established U.S., Canadian or European commercial paper markets. Such commercial paper would be sold through agents at the discount rate or the coupon rate per annum prevailing at the date of issuance for commercial paper of comparable quality and maturities sold to commercial paper dealers generally.

Portland General also may establish bank lines of credit, directly or indirectly through one or more financing subsidiaries. Loans under these lines will have maturities of less than one year from the date of each borrowing. Alternatively, if the notional maturity of short-term debt is greater than 364 days, the debt security will include put options at appropriate points in time to cause the security to be accounted for as a current liability under U.S. generally accepted accounting principles. Portland General also proposes to engage in other types of short-term financing generally available to

borrowers with comparable credit ratings and credit profile, as it may deem appropriate in light of its needs and market conditions at the time of issuance, within the financing parameters detailed in the Application.

7. Foreign Assets

Enron's foreign pipeline, gas and electricity distribution and power generation assets typically have FUCO status or exempt wholesale generator ("EWG") status at the project level. Enron has prepared and filed, or is in the process of preparing, FUCO certifications to obtain FUCO status for the Enron holding companies that hold a number of these projects. Most of these holding companies were formed to hold assets along geographical lines (*e.g.*, Enron South America LLC holds many of the Enron interests in South American projects).[15] Some Enron group companies, however, may be related to the business of Prisma, but may not qualify for FUCO status because they may not directly or indirectly own or operate foreign utility assets. Such companies may, for example, have loans outstanding to a FUCO or a subsidiary of a FUCO. In other cases, such as settlements or asset reorganizations, the securities of a FUCO may be acquired by Enron group companies.

Accordingly, the Enron group companies request authorization under section 33(c) and rule 53(c) under the Act to issue new securities for the purpose of financing FUCOs (or to amend the terms of existing financings) and to acquire FUCO securities in connection with financings, settlements and reorganizations. Authorization to restructure

[15] Many of the foreign assets will likely be transferred into Prisma. As indicated above, the shares of Prisma may be distributed to creditors in connection with the implementation of Enron's chapter 11 plan or Prisma may be sold and the proceeds will then be distributed to creditors.

or refinance existing FUCO investments would not be limited. Applicants also request that authorization for purposes of financing new investments in their existing FUCOs be limited to $100 million.

Applicants assert that the proposed FUCO financing will not have a substantial adverse impact on the financial integrity of the Enron group and that the purpose of the proposed financings is not to invest significant additional sums in FUCOs, but to support existing FUCO projects to maximize their value for the Debtors' estate and to restructure existing financing arrangements as necessary to tailor each financing to the financial condition of the underlying assets. Applicants state that unsound financing that cannot be supported by the cash flow of underlying assets will be novated or restructured as appropriate and consistent with maximizing the value of the estate. Applicants state that the proposed financing is expected to have a positive impact on the financial condition of the Enron group. Applicants state that the proposed FUCO investment will not have an impact on Portland General.[16]

D. Sale of Nonutility Companies

The Debtors, non-Debtor associates, and certain other related companies have completed a number of significant asset sales during the pendency of the chapter 11 cases, resulting in gross consideration to the Debtors' bankruptcy estates, non-Debtor associates, and certain other related companies aggregating approximately $3.6 billion. These asset sales have been completed by numerous Debtors, non-Debtor associates and other related companies. The sale proceeds have, in certain instances, been used to repay

[16] Applicants have attached as an exhibit to the Application a letter dated June 23, 1997, in which OPUC states that it does not object to Enron's proposed FUCO investments and that such investments would not adversely affect Portland General.

indebtedness or other claims, and may be further subjected to a variety of claims from related and unrelated parties. In many instances, proceeds from these sales are segregated, or are in escrow accounts, and the distribution of such proceeds will require either consent of the Creditors' Committee or an order of the Bankruptcy Court.

In most cases, the sale transactions are for all cash consideration. Some sales, however, may involve the acquisition of a security from the purchaser or the company being sold. A security would be accepted only when the transaction could not otherwise be negotiated for all cash consideration. For the most part, the Debtors would seek to convert securities into cash. Any security not converted into cash by the time the assets of the estates are distributed to creditors would reside in the Remaining Assets Trust, and creditors would receive an interest in that liquidating trust.

Indemnifications and guarantees by and between companies in the Enron group also may be part of the sale of nonutility assets, nonutility securities or settlements on claims with third parties. In the case of sales to third parties, indemnifications are capped at no more than the amount of the sale proceeds received by the seller. Applicants request indemnification and guarantee authority to provide them with the flexibility to manage the process of selling the assets of the estates in a manner that would maximize their value.

Applicants seek authorization for transactions involving the acquisition of securities, indemnifications and guarantees described above as they would occur in the context of the sale of any Enron group company (except Portland General) if such sale is (i) in the ordinary course of business of a debtor in possession (directly or indirectly

through debtor or non-debtor subsidiaries) or, (ii) is authorized by the Bankruptcy Court.[17]

E. Dividends out of Capital or Unearned Surplus

Applicants request general relief from the dividend and acquisition, retirement and redemption restrictions under section 12(c) of the Act and the rules under the Act as necessary in furtherance of the chapter 11 process to reorganize and reallocate value in the Enron group that will ultimately be distributed to creditors, except for any such transaction involving Portland General. Applicants also request specific relief for one subsidiary company, Northern Border Partners, relating to distributions of Available Cash[18] that are largely to be received by the public unit holders of this non-debtor subsidiary.[19] Northern Border Partners, a limited partnership with ninety-one percent (91%) of its partnership interests held by the public, owns and operates interstate gas pipelines, gas gathering and other related facilities not involving distribution at retail. Northern Border Partners makes regular quarterly distributions to its unit holders that, for

[17] The transactions proposed herein would not involve indemnifications or guarantees made by Portland General and would not have an adverse impact on that company.

[18] Available Cash is defined under the Partnership Agreement to include cash derived from all sources, including partnership holdings, financings and sale of assets and any reductions in a reserve with respect to such quarter from the level of reserve at the end of the prior quarter less cash that is used for operating expenses, taxes, debt service payments, capital expenditures, equity contributions and increases to reserves, including reserves for distributions with respect to one or more of the next four calendar quarters.

[19] Corporations may pay dividends out of current income and retained earnings consistent with the restriction in section 12(c) of the Act, which limits only dividends paid out of capital and capital surplus. Partnerships do not have a retained earnings account, so partnership distributions of available cash would come from current net income of the partnership, and partners' capital to the extent that current net income of the partnership is insufficient to cover the whole distribution. Northern Border Partners' request to pay distributions in the amount of its Available Cash may require authorization under section 12(c) of the Act to the extent that Available Cash exceeds current partnership net income.

accounting reasons, are in part distributions out of the partners' capital, even though they are derived entirely from operating cash flow. The Applicants seek an exception from the dividend restrictions under the Act as applied to all nonutility subsidiaries in the Enron group, subject to the conditions noted above.

To permit the Enron group companies to transfer value among the companies in the Enron group as necessary to sell assets or to transfer the proceeds of such sales from subsidiaries to parent companies, Applicants request authorization for the Enron group companies, other than Portland General, to acquire, retire and redeem securities that they have issued.[20]

F. New Acquisitions

Through several subsidiaries, Northern Border Partners owns transportation gas systems and gas gathering systems located in the Powder River Basin, the Wind River Basin, and the Williston Basin located in Wyoming, Montana, and the Dakotas. The gathering facilities interconnect to the interstate gas grid pipeline serving natural gas markets in the Rocky Mountains, the Midwest, and California. Northern Border Partners also owns a minority interest in a gas gathering system in Alberta, Canada. Northern Border Partners' 273-mile coal slurry pipeline connects a coal mine in Arizona to a power station in Nevada. After execution of the CrossCountry Transaction, Enron's interests in Northern Border Partners will have been transferred to CrossCountry LLC.

Northern Border Partners seeks authorization to, directly or indirectly through subsidiaries, issue and sell equity and debt securities to fund general partnership

[20] Portland General has 249,727 outstanding shares of preferred stock. Should Portland General exercise its right to redeem any of its preferred stock, it would rely on the exemption under rule 42 for the acquisition of stock from unaffiliated entities.

operations and new acquisitions of assets producing qualifying income and to acquire the securities of, or other interests in, gas-related properties.[21]

Northern Border Partners currently has an effective shelf registration statement on Form S-3 for issuance of $500 million in equity or debt securities, of which approximately $102 million in equity was issued in May and June 2003. Depending on the results of its acquisition program, Northern Border Partners believes that, during the course of the next year, it may need to issue an additional $500 million to remain on an equal footing with its competitors in the acquisition market. Therefore, Northern Border Partners requests authorization under the Act to issue up to $1 billion of equity and debt securities at any one time outstanding through the Authorization Period, and to invest up to that amount in the acquisition of qualifying income assets (described below) without further Commission authorization.

Northern Border Partners requests authority to continue the ordinary course of its natural gas gathering, processing, storage and transportation operations in the United States and Canada ("Energy Assets"), which are generally conducted through partnerships and other companies, and through the acquisition of partnership or joint venture interests. To that end, Northern Border Partners requests authority to acquire and finance the acquisition of Energy Assets and the securities of companies which solely develop, finance, own and operate such Energy Assets within the United States and Canada up to a total authorized additional investment of $1 billion through the Authorization Period.

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[21] Northern Border Partners' senior unsecured debt is rated A-/Baa2/BBB+, and as of September 30, 2003, it had assets of $2,572 million.

Northern Border Partners further requests authority to finance the foregoing authorized operations of it and its subsidiaries through the issuance of securities by it, its partners or subsidiaries, through it and its partners and subsidiaries acquiring or guaranteeing its securities and those of its partners or subsidiaries, making capital contributions and through acquiring, forming or recapitalizing subsidiaries owning or operating Energy Assets. The requested authorization does not include any authority to acquire utility assets or the securities of public-utility companies; nor does it include any authority to encumber utility assets or to receive an extension of credit from any public-utility company affiliate of Northern Border Partners.

Northern Border Partners would not issue securities for purposes of financing these acquisitions if it does not have an investment grade credit rating from at least one nationally recognized statistical ratings organization. In addition, Enron's acquisition of Northern Border Partners securities issued in connection with this expansion program would be limited to capital that is required for Enron to retain its existing general partner percentage ownership of Northern Border Partners.[22]

G. Simplifying Complex Corporate Structure and Dissolving Existing Subsidiaries

Enron is restructuring many of its subsidiaries in connection with the formation of Prisma and CrossCountry, as well as in conjunction with some of the requirements imposed by the terms of settlement agreements to resolve various claims against Enron and related Debtors. Enron also is liquidating close to 1,000 surplus legal entities and

[22] Currently, Enron holds 6.8% of the limited partner interests in Northern Border Partners and 1.65% of the general partner interests (which constitute 82.5% of the general partner voting authority). Lastly, Northern Border Partners would not acquire any assets that would subject it to regulation as a public-utility company under the Act.

businesses in which it no longer intends to engage. Eventually, substantially all of the Debtors, including Enron, will be liquidated. Settling claims relating to financing structures and liquidating businesses often involves the redemption or retirement of securities and distributions in liquidation that may involve actual or deemed returns of capital. Reorganizing complex structures may involve the creation of new holding companies and liquidating or other trusts formed for the benefit of the Debtors' estates and their creditors. In the context of restructuring assets and entities, Enron group companies may receive distributions or other returns of capital and may make capital contributions, share exchanges, guaranties, indemnifications, and other transactions to move companies, assets and liabilities within the Enron group as necessary to implement a less complex and more sound corporate structure and as necessary to implement settlements with third parties. Contracts may be assumed by a Debtor and then assigned to another Enron group company or a third party. The assignment of contracts that have value to another Enron group company could be viewed as a dividend or capital contribution.[23]

Enron seeks Commission authorization to restructure, rationalize and simplify or dissolve, as necessary, all of its nonutility businesses and to implement settlements (which may involve transactions as described above regarding substantially all of its remaining direct and indirect assets) to effect all transactions authorized by the

[23] Portland General is assisting in the sale of the subsidiaries of PGH II, a nonutility Enron subsidiary. PGH II is a holding company with subsidiaries engaged in telecommunications, district heating and cooling, and real estate infrastructure development and construction. PGH II and its subsidiaries have been managed historically by Portland General. With the exception of the transactions related to these sales, Portland General and its subsidiaries would not be involved in any of the proposed reorganization and simplification transactions.

Bankruptcy Court and otherwise as necessary to simplify and restructure its businesses in furtherance of the chapter 11 process. Applicants also seek authorization to form, merge, reincorporate, dissolve, liquidate or otherwise extinguish companies. Any newly formed entity would engage only in businesses in which the Enron group continues to engage pending the resolution of the chapter 11 cases. Further, Applicants seek authorization to restructure, forgive or capitalize loans and other obligations; and to change the terms of outstanding nonutility company securities held by other Enron group companies for the purpose of facilitating settlements with creditors, simplifying the business of the group and maximizing the value of the Debtors' estates.

H. Rule 16 Exemptions

Citrus Corp. ("Citrus"), a holding company which is 50% owned by Enron and 50% owned by El Paso Corp. Bridgeline Holdings, L.P. ("Bridgeline"), is an intrastate gas pipeline partnership that is engaged in the storage, transportation and supply of natural gas in Louisiana. Enron indirectly owns a 40% equity interest in Bridgeline and a 50% voting interest in the partnership, with the remaining equity and voting interest held by ChevronTexaco Corp.

Besides Northern Border Partners' extensive gas gathering operations in the Williston Basin in Montana and North Dakota as well as in the Powder River Basin in Wyoming, through its wholly owned subsidiary, Crestone Energy Ventures, L.L.C., Northern Border Partners owns a 49% interest in Bighorn Gas Gathering, L.L.C. ("Bighorn"), a 33.3% interest in Fort Union Gas Gathering, L.L.C. ("Fort Union"), and a 35% interest in Lost Creek Gathering, L.L.C. ("Lost Creek"). These three companies collectively own over 300 miles of gas gathering facilities in the Powder River and Wind

River Basins in Wyoming. Northern Border Partners also owns an undivided interest in an 86-mile gathering pipeline in Alberta, Canada.

Northern Border Partners also owns an undivided one-third interest in Guardian Pipeline, L.L.C. ("Guardian"), a 141-mile interstate natural gas pipeline system that transports natural gas from Joliet, Illinois to a point west of Milwaukee, Wisconsin. Subsidiaries of Wisconsin Public Service and Wisconsin Energy Corporation hold the remaining interests in this system.

Each of Citrus, Bridgeline, Bighorn, Fort Union, Lost Creek and Guardian (the "Rule 16 Companies") seek to rely on an exemption from the obligations, duties and liabilities imposed upon them under the Act as a subsidiary or affiliate of a registered holding company. Accordingly, Applicants request that the Commission authorize Enron to acquire its respective interests in the Rule 16 Companies under sections 9(a)(1) and 10, subject to any requirement in the Plan or as may be imposed by the Bankruptcy Court for the subsequent disposition of these assets.

I. Affiliate Transactions

1. Services Between Enron and Portland General

Portland General has entered into a master service agreement ("MSA") with certain affiliates, including Enron. The MSA allows Portland General to provide affiliates with the following general types of services: printing and copying, mail services, purchasing, computer hardware and software support, human resources support, library services, tax and legal services, accounting services, business analysis, product development, finance and treasury support, and construction and engineering services. The MSA also allows Enron to provide Portland General with the following services:

executive oversight, general governance, financial services, human resource support, legal services, governmental affairs service, and public relations and marketing services. Portland General would provide services to affiliates at cost under the MSA and affiliate services provided to Portland General also would be priced at cost.[24]

Enron provides certain employee health and welfare benefits, 401(k), and insurance coverages to Portland General under the MSA that are directly charged to Portland General based upon Enron's cost for those benefits and coverages. The estimated cost of these services for the year 2004 in the aggregate is $30 million. The provision of these services is anticipated to continue until such services are replaced, which Enron expects will occur by the end of 2004.

In connection with the divestiture of Portland General, Enron may enter into a transition services agreement ("Transition Services Agreement") that would provide for the winding down of the service relationship between Enron and Portland General. It is expected that the services provided under the Transition Services Agreement would be less extensive than those under the MSA and in no event would the Transition Services Agreement provide for the expansion of such services. Any services provided to Portland General under the Transition Services Agreement would be provided at cost. Applicants request that the Commission reserve jurisdiction with respect to the Transition Services Agreement, pending completion of the record.

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[24] If cost-based pricing of particular services provided under the MSA would conflict with the affiliate transaction pricing rules of the OPUC, Portland General and Enron would refrain from providing such services, unless they have first obtained specific authorization from the OPUC to use cost-based pricing for such services.

Portland General provides certain administrative services to Enron's subsidiary Portland General Holdings ("PGH") and its subsidiaries under the MSA. The services that are allocated or directly charged to PGH and its subsidiaries based upon the cost for those services. The estimated cost of these services for the year 2004 in the aggregate is $1.1 million.

Section 13(a) restricts Enron from providing services or selling goods to associate public utility companies or a company engaged in the business of providing services or selling goods to an associated public-utility company.[25] Enron seeks an exception from this rule and the restrictions of section 13(a) through July 31, 2005, based on the special or unusual circumstances of its bankruptcy.

2. Services Between Nonutilities

The nonutility subsidiaries in the Enron group also are engaged in providing services to one another. These services include, without limitation, environmental, right-of-way, safety, information technology, accounting, planning, finance, tax, procurement, accounts payable, human resources, regulatory, and legal services.

Enron Operation Services Corp. (“EOSC”) or its affiliates also provide services to Citrus and its subsidiaries under an operating agreement originally entered into between an Enron affiliate and Citrus. The primary term of the operating agreement expired on June 30, 2001; however, services continue to be provided pursuant to the terms of the operating agreement. Under an implied agreement pursuant to the terms of the operating

[25] Enron provides services to nonutility associated companies that are not mutual service companies. Pursuant to section 13(a) of the Act, these services are not subject to the jurisdiction of the Commission.

agreement, Citrus reimburses the service provider for costs attributable to the operations of Citrus and its subsidiaries.

Northern Plains provides operating services to the Northern Border Partners pipeline system pursuant to operating agreements entered into with Northern Border Pipeline, Midwestern and Viking. Under these agreements, Northern Plains manages the day-to-day operations of Northern Border Pipeline, Midwestern, and Viking, and is compensated for the salaries, benefits, and other expenses it incurs. Northern Plains also utilizes Enron affiliates for administrative and operating services related to Northern Border Pipeline, Midwestern and Viking. NBP Services provides certain administrative and operating services for Northern Border Partners and its gas gathering and processing and coal slurry businesses. NBP Services is reimbursed for its direct and indirect costs and expenses pursuant to an administrative services agreement with Northern Border Partners. NBP Services also utilizes Enron affiliates to provide these services.

It is anticipated that at the closing of the transactions contemplated by the CrossCountry Amended and Restated Contribution and Separation Agreement, CrossCountry and Enron will enter into a Transition Services Agreement pursuant to which Enron will provide to CrossCountry, on an interim, transitional basis, various services, including, but not limited to, the following categories of services: (i) office space and related services; (ii) information technology services; (iii) SAP accounting system usage rights and administrative support; (iv) tax services; (v) cash management services; (vi) insurance services; (vii) contract management and purchasing support services; (viii) corporate legal services; (ix) corporate secretary services; (x) off-site and on-site storage; (xi) payroll, employee benefits and administration services; and (xii)

services from the Risk Assessment and Control Group for the Enron Companies on a defined project basis.

CrossCountry will provide to Enron, on an interim, transitional basis, various services, including, but not limited to, the following categories of services: (i) floor space for servers and other information technology equipment; (ii) technical expertise and assistance, including, without limitation, pipeline integrity, safety, environmental and compliance; (iii) accounts payable support; and (iv) accounting services relating to businesses owned directly or indirectly by Enron Transportation Services, LLC (a Delaware limited liability company and successor-in-interest to Enron Transportation Services Company, one of the Debtors) immediately prior to closing.

The parties are expected to enter into a Transition Services Supplemental Agreement at the closing of the Amended and Restated Contribution and Separation Agreement. Subject to the consent of the Creditors' Committee, the Transition Services Supplemental Agreement will more fully delineate the services provided within each category set forth in the Transition Services Agreement. The charges for such transition services will be cost-based in accordance with section 13(b) and rules 90 and 91. Certain services will be charged on an “as needed” basis.

Provision of the transition services will commence on the effective date of the Transition Services Agreement and terminate on December 31, 2004, unless otherwise agreed in writing by the parties. However, except as otherwise provided for in the Transition Services Supplemental Agreement, Enron may terminate any transition service upon ninety days’ prior written notice to CrossCountry.

It is also anticipated that at the closing of the transactions contemplated by the CrossCountry Amended and Restated Contribution and Separation Agreement, Enron and certain of its subsidiaries and affiliated companies will enter into a license agreement ("CrossCountry Cross License Agreement"), pursuant to which each party will grant, without warranty of any kind, to each and every other party and its respective subsidiaries, all of the intellectual property rights of the party granting the license in and to certain software programs, documentation, and patents described in the Cross License, a non-exclusive, royalty free, sub-licensable license, with fully alienable rights, to: (i) use, copy, and modify the licensed programs and documentation; (ii) use, make, have made, distribute, and sell any and all products and services of the party receiving the license as well as such party's subsidiaries and sub-licensees (if any); and (iii) engage in the business of such party receiving the license and business of its subsidiaries and sub-licensees (if any) prior to, on, and after the closing date.

The CrossCountry Cross License Agreement will become effective on the closing date and the licenses granted will continue in perpetuity unless licenses granted to a breaching party are terminated by any affected non-breaching party in the event such breaching party fails to cure a material breach of the Cross License Agreement within thirty days after delivery of written notice of the breach.

Finally, prior to or at the closing of the CrossCountry Amended and Restated Contribution and Separation Agreement, Enron and CrossCountry will enter into a license or lease agreement ("Ardmore Collocation License Agreement") under which CrossCountry will lease to Enron adequate floor space in the Ardmore Data Center for servers and other information technology equipment owned by the CrossCountry Enron

Parties. The space will be provided on a cost basis for a term to be specified in the Ardmore Collocation License Agreement.

Prisma and Enron and its affiliates also expect to enter into certain ancillary agreements, which may include a new Transition Services Agreement, a tax allocation agreement, discussed below, and a Prisma Cross License Agreement. As noted previously, the employees of Enron and its affiliates who have been supervising and managing the Prisma Assets since December 2001, became employees of a subsidiary of Prisma effective on or about July 31, 2003. In connection therewith, as approved by the Bankruptcy Court, Enron and its affiliates entered into four separate Transition Services Agreements pursuant to which such employees will continue to supervise and manage the Prisma Assets and other international assets and interests owned or operated by Enron and its affiliates. The ancillary agreements, together with the Prisma Contribution and Separation Agreement, will govern the relationship between Prisma and Enron and its affiliates subsequent to the contribution of the Prisma Assets, provide for the performance of certain interim services, and define other rights and obligations until the distribution of shares of capital stock of Prisma pursuant to the Plan or the sale of the stock to a third party. In addition, the Prisma Contribution and Separation Agreement or the ancillary agreements are expected to set forth certain shareholder protection provisions with respect to Prisma and may contain indemnification obligations of the Prisma Enron Parties.

Applicants, other than Enron, that are providing goods and services at terms other than cost to associate companies, other than Portland General, also request authority

through the Authorization Period to provide the services specified above at other than cost, due to the special and unusual circumstances of their bankruptcy.

J. Tax Allocation Agreements

Enron has entered into agreements with Portland General and Transwestern for the payment and allocation of tax liabilities on a consolidated group basis. These agreements generally require the subsidiaries to pay their separate return tax to Enron. In consolidation, Enron offsets the subsidiaries' income with the losses, tax credits and other tax-reducing attributes of Enron and other group companies and pays the resulting lower tax liability amount to the Internal Revenue Service or other taxing authority. Under the agreements, Enron group companies, including Enron, which contributed tax benefits, such as losses or credits, to the consolidated return are paid their proportionate share of the tax reduction resulting from the use of such benefits in the consolidated tax return filing. These consolidated tax filings do not comply with rule 45(c) under the Act, as Enron shares in the tax savings from the consolidation ratably with other members of the consolidated tax filing group that contributed tax benefits to the consolidated return. Enron seeks authorization to continue to perform under these current agreements (or new agreements on similar terms) and authorization for CrossCountry to enter into a new tax allocation agreement with Enron, when Transwestern is contributed to CrossCountry. Further, it is contemplated that the existing tax allocation agreement with Portland General may be amended to provide that Enron would pay Portland General for certain Oregon state tax credits generated by Portland General but not used on the consolidated Oregon tax return. Enron and Portland General also seek authorization to amend the Portland General tax allocation agreement accordingly.

Regarding the tax agreement with Portland General, to the extent Enron's losses or tax credits reduce the consolidated tax liability, Enron would retain the resulting tax savings. Enron seeks authorization to continue to perform under such agreement or a new agreement under similar terms. Under such agreement, the consolidated tax liability for each taxable period would be allocated to Enron, Portland General and its subsidiaries in proportion to (i) the corporate taxable income of each company, or (ii) the separate return tax of each company, provided that the tax apportioned to any company shall not exceed the separate return tax of such company.

Enron also has other written and oral tax-related agreements with other Enron group companies. It is contemplated that these agreements will be rejected as executory contracts by the Debtors on the Confirmation Date, with an effective date as of December 2, 2001 (Enron's bankruptcy petition date). Notwithstanding this rejection, Enron will continue to file a consolidated tax return as required by the Internal Revenue Code. In such circumstances, Enron will no longer charge companies with income the stand-alone tax that they would pay on their income but for the consolidated losses. Enron generally would no longer pay loss companies for the benefit of their losses used to offset income on the consolidated return, except that it is expected that payments to Enron under the Portland General and CrossCountry tax allocation agreements would be shared with all loss companies consistent with past practice. Portland General, Transwestern and Prisma are not part of this arrangement. Applicants request authorization for Enron and the other Enron group companies, subject to the contract rejection described above, to file consolidated returns in accordance with the method described above.

The Applicants have expressly sought authorization for the majority of the jurisdictional transactions relating to the implementation of the Plan in the Application. To the extent that any transaction contemplated by the Plan is not specifically discussed in that application, Applicants request authorization for such transaction.

K. U5B Registration Statement

Enron seeks a modification to the Commission's reporting requirement to permit it to submit the Disclosure Statement in lieu of a Registration Statement on Form U5B. Applicants state that the Disclosure Statement is a comprehensive document detailing Enron's businesses, assets, its recent history and its planned future under the Plan. The Disclosure Statement contain a substantial portion of the information that is required of a registrant under Form U5B. Enron, if requested by the Commission, will provide additional information required in Form U5B but not included in the Disclosure Statement.

L. Other Reporting

Applicants propose to file with the Commission a report under rule 24 within 60 days of the end of each calendar quarter that would provide the following information:[26]

1. With respect to securities and letters of credit issued under (i) the Second Amended DIP Credit Agreement, as it may be amended, (ii) any short-term debt securities issued by Portland General under its short-term revolving credit facility or otherwise, (iii) the cash management arrangements between Enron and its subsidiaries (excluding Portland General), and (iv) the cash management arrangements between Portland General and its subsidiaries, Applicants will disclose the name of the issuer, the principal or face amount of the security or letter of credit issued, the interest rate, the maturity date, and, for borrowings from associated and non-associated companies, the name of the lending company.

[26] The first rule 24 report would be due 60 days after the end of the first full calendar quarter following the issuance of the Commission's order granting this Application.

2. Applicants will disclose the names of the associate companies transferred to each of Prisma and CrossCountry. Each such list will show the full roster of companies transferred to Prisma and CrossCountry as of the close of the respective quarterly reporting period.

3. Applicants will disclose sales of assets, companies and other entities in the Enron group that have been completed within the respective quarterly reporting period. Such disclosure will include the name of the entity or a description of the assets sold and the aggregate consideration received for such sale.

4. Applicants will disclose the aggregate amount of Northern Border Partners' distributions out of partnership capital and the aggregate amount invested in Energy Assets during the respective quarter. Such disclosure will include a concise description of the Energy Assets acquired.

5. Applicants will summarize the corporate restructuring, simplification, dissolution and liquidation transactions that have been conducted during the respective quarter.

6. Applicants will disclose the types of services and goods sold by Enron to Portland General and by Portland General to Enron during the respective quarter. Such disclosure will include a description of services or goods transactions by category, with amounts expended for each category.

7. For the quarterly period that includes any filing of a consolidated tax return involving both Enron and Portland General, Applicants will disclose Portland General's separate return tax for the period concerned in the consolidated tax return and the amount of its tax payment to Enron for the same period. In addition, Applicants will disclose the aggregate amount of losses, credits or other tax attributes contributed by Enron to the consolidated tax return and the value received by Enron for such tax attributes as a result of the allocation method specified in the consolidated tax filing agreement.

IV. Discussion

As described above, Applicants request authorization, among other things, for issuance of securities in connection with Enron's DIP credit facility; pre-petition letters of credit; intrasystem extensions of credit; Portland General's credit facility, issuance of short-term debt and cash management arrangements. Securities issuances are subject to sections 6(a) and 7 of the Act and rules 44 and 54. To the extent that these issuances

involve intrasystem extensions of credit, the transactions are also subject to section 12(b) of the Act.

The requests to enter into indemnification agreements associated with the formation of Prisma and CrossCountry are subject to section 12(b) of the Act. The tax allocation agreements between and among Enron and Portland General, Transwestern, CrossCountry and Prisma are subject to section 12(b) and rule 45 under the Act, as are the Global Trading Contract and Asset Settlement and Sales Agreement. The proposed FUCO financing is governed by section 33(c) of the Act and rule 53(c) under the Act. The requests to sell nonutility assets during the Authorization Period are analyzed under sections 9, 10, and 12(b) of the Act as well as rule 45(a). The request to pay dividends out of unearned surplus or capital is subject to section 12(c) of the Act and rule 46 under the Act. The request of Northern Border Partners to issue and sell equity and debt securities as well as to acquire the securities of, or other interests in, gas-related properties implicates, among other things, sections 6(a), 7, 9(a) and 10 of the Act. Applicants' request to simplify Enron's corporate structure and to dissolve existing subsidiaries is subject to sections 9(a), 10, and 12 of the Act and rule 45 under the Act. The requests regarding the rule 16 exemptions involve sections 9(a) and 10 of the Act as well as rule 16 under the Act. The proposed service arrangements are subject to section 13 and rules 90 and 91. The modified reporting requirements are authorized under rule 20(a)(3) of the Act.

We have reviewed the proposed transactions and find that the applicable standards of the Act are satisfied. Below, we discuss specifically a number of the requested authorizations that raise difficult or novel issues under the Act. Before turning

to that discussion, however, we wish to make a number of general points about Enron's requests.

First, many of the transactions for which Enron requests authority are types that would routinely be approved under the Act. For example, the Act generally encourages the simplification of corporate structures. Hence, Enron's steps to simplify its corporate structure, particularly as that restructuring relates to its myriad of nonutility subsidiaries, simply do not raise any significant issues under the Act. We do not specifically discuss many types of routine transactions below.

Second, in reviewing Enron's requests, we have been mindful of the facts that Enron registered for the first time in the midst of a complex bankruptcy proceeding and that, given its plans to sell or divest itself of Portland General, it is not likely to remain a holding company for long.[27] These facts do not relieve Enron of the necessity of complying with the requirements of the Act. However, we recognize that Enron is not going to emerge from bankruptcy as a registered holding company conducting business through subsidiaries for an indefinite period of time.[28] Imposing on Enron the same conditions and standards that we normally impose on registered holding companies does not make sense, and, given the current stage and likely future progress of Enron's bankruptcy process, could result in harm to the very interests that the Act directs us to

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[27] Further, we note that should Enron retain Portland General longer than is currently contemplated, the authorization contained in this Omnibus Order will terminate at the end of the Authorization Period, July 31, 2005. We would have an opportunity at that time to examine the transactions we are now authorizing in light of the facts and circumstances as they then exist.

[28] Compare *The Columbia Gas System, Inc.*, Holding Co. Act Release No. 25380 (Sept. 20, 1991).

protect. Therefore, to the extent permitted by the Act, we have reviewed Enron's requests with a view to permitting it to maximize the value of its estate for its creditors, so long as the steps it proposes to take in doing so do not unduly harm the interests protected by the Act.

Finally, our approval of many of Enron's requests, particularly those that relate to its and its subsidiaries' abilities to continue financing themselves during the authorization period, would normally be conditioned on Enron maintaining an acceptable capital structure. For example, we would normally require Enron to maintain an equity capitalization of 30% or above of its total capital structure. Once again, however, applying typical financial integrity conditions to a holding company that is in bankruptcy – and indeed registered during the course of the bankruptcy proceeding – makes little sense. We therefore believe that it is more appropriate to review requests of this type with the goals of permitting Enron to maximize the value of its estate and not disrupting the bankruptcy proceeding, as long as granting these requests does not unduly harm any interests protected under the Act. In this regard, we especially note that we have not relaxed our standards with respect to Portland General, Enron's sole utility subsidiary. We are thus requiring Portland General, which is not in bankruptcy, to meet the same financial standards that we impose on virtually all utilities in registered systems.

A. Certain Proposed Financing Transactions

Generally, the purpose of the proposed securities issuances and intrasystem financing transactions would be to consolidate and restructure the Enron group of companies and to maintain Enron's operating businesses pending their distribution under

the Plan.[29] Among other things, Applicants request authorization for issuances of securities in connection with Enron's DIP credit facility, intrasystem extensions of credit and cash management arrangements.

The Commission typically authorizes financings of registered holding companies subject to certain general parameters regarding cost of capital, maturity, issuance expenses, common equity ratio and investment grade ratings. The Applicants propose to make such financing parameters applicable to Portland General, as described below. However, the unique circumstances of the financing arrangements that do not involve the utility do not lend themselves to such general parameters. For example, the DIP financing arrangements have already been entered into and have been approved by the Bankruptcy Court. The letters of credit discussed below are not typically made subject to traditional financing parameters. Finally, the cash management arrangements involving Enron are subject to terms specified by the Bankruptcy Court. We discuss these arrangements below.

1. The Debtor-in-Possession ("DIP") Financing Arrangements

As noted above, on May 8, 2003, the Bankruptcy Court entered an order approving the extension of the Debtors' post petition financing pursuant to the Second Amended DIP Credit Agreement.[30] The agreement is scheduled to terminate on June 3,

[29] The securities to be issued by Portland General would be used to finance its business as a public-utility company.

[30] As discussed in section III.C.1., *supra*, the extension decreases the aggregate amount available for letters of credit to $150 million, increases the sub-limit for letters of credit issued for the benefit of non-Debtor associates to $65 million, decreases the amount deposited by Enron in the letter of credit cushion account to $15 million, and decreases

2004. As of today, Enron has four letters of credit outstanding under the Second Amended DIP Credit Agreement in the approximate aggregate amount of $24.5 million. Applicants seek Commission authorization to continue to obtain letters of credit, or to extend the maturity of previously issued letters of credit, up to an aggregate amount of $150 million under the Second Amended DIP Credit Agreement as now in effect or as it may subsequently be amended or extended by order of the Bankruptcy Court through The Authorization Period.

Under the agreement, Enron's obligations are guaranteed by its debtor subsidiaries that are parties to the credit agreement.[31] Each new debtor becomes an additional guarantor under the agreement when an applicability order is entered by the Bankruptcy Court shortly after such entity files a petition under Chapter 11. Applicants also request authorization for additional debtors to become guarantors under the agreement when the Bankruptcy Court enters an applicability order with respect to such debtor making the provisions of the Second Amended DIP Credit Agreement applicable to such entity.

In addition, virtually all the property of Enron and its debtor subsidiaries, including the stock of Portland General, is pledged as collateral to secure the obligations of the borrowers under the credit facility.[32]

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the annual fees of the collateral agent and the paying agent, respectively, to $200,000 each.

[31] As a non-debtor, Portland General is not a party to the agreement.

[32] To induce the DIP Lenders to make loans and issue letters of credit to Enron and certain of its subsidiaries, Enron entered into a Pledge Agreement with JPMCB, as collateral agent**,** dated December 3, 2001 ("Pledge Agreement"). Under the Pledge Agreement, certain collateral was assigned and pledged by Enron to the collateral agent for the benefit of the DIP Lenders. The collateral included a security interest in the common stock of Portland General and all income, profits, distributions, proceeds or

Applicants state that it is necessary for Enron to maintain the facility because Enron currently has limited alternative sources of financing and letters of credit are currently required by certain parties, *e.g.* insurance companies, that will not accept cash collateral or other arrangements to secure Enron's performance obligations under various contracts. The facility also permits Enron to post a letter of credit to secure obligations of the company under trading contracts with counterparties where to post cash collateral would subject the estate to risks associated with the credit of that counterparty. The Second Amended DIP Credit Agreement thereby helps to preserve the assets of the estate for its creditors.

Applicants add that it would be costly and inefficient to restructure the existing DIP facility and that Enron currently has limited alternative sources of financing. With respect to securities to be issued by other Debtors, these entities also have limited alternative sources of financing. Further, it would be disruptive to the businesses of the non-Debtor subsidiaries to require them to restructure their existing financing arrangements solely because of their status of a subsidiary of a registered holding company, as such status is likely to be short-lived.

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payments related thereto. Upon an event of default, as defined in the Pledge Agreement, and the receipt of all required regulatory approvals, the collateral agent may sell the collateral at a public or private sale at a price it deems satisfactory. There are currently no defaults under the Pledge Agreement. The Pledge Agreement provides that the DIP Lenders will release their lien on the Portland General shares if Portland General is sold. The Bankruptcy Court authorized Enron to enter into this financing arrangement by order dated July 2, 2002. Docket No. 4888, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), July 2, 2002 (U.S. Bankruptcy Court, S.D.N.Y.).

Section 12(a) of the Act generally prohibits an extension of credit by a subsidiary of a registered holding company to the parent.[33] In this matter, the purpose of the DIP financing is to enable the Debtors, all nonutility companies under the Act, to continue operations prior to the distribution of the estates to Creditors. Moreover, the DIP facility is central to the bankrupt companies' ability to reorganize and was in place prior to Enron's registration under the Act. The DIP financing arrangements do not appear to implicate any of the central abuses against which the Act as a whole is directed. Under the circumstances, we believe it is appropriate to permit the DIP facility to remain in place as the plan of reorganization is implemented and for the limited duration of this Omnibus Order. [34]

Our analysis of the pledge of the common stock of Portland General involves similar considerations. If Enron had been a registered holding company when it filed its petition under Chapter 11, it would have had to obtain Commission authorization under sections 6(a), (7) and 12(d) of the Act to pledge the common stock. An authorization of the pledge at this time is analogous to the grandfathering of previously issued debt under the Act at the time a company first becomes part of a registered under the Act. [35]

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[33] Section 12(a) of the Act provides in pertinent part that it is unlawful for a registered holding company to "borrow, or to receive any extension of credit or indemnity" from any subsidiary.

[34] Permitting the DIP facility to remain in place for a limited time is also analogous to our practice of permitting newly registered holding companies a reasonable period of time to divest themselves of impermissible businesses pursuant to section 11 of the Act. *See E.ON AG*, Holding Co. Act Release No. 27539 (June 14, 2002). *Cf. also The Southern Company*, Holding Co. Act Release No. 27134 (Feb. 9, 2000).

[35] *See, e.g.*, *Ameren Corporation*, Holding Co. Act Release No. 27645 (Jan. 29, 2003) (authorizing continued existence of pledge of utility stock to secure the senior notes of its exempt holding company parent)

Moreover, it does not appear that the pledge would be detrimental to Portland General or its ratepayers. Notably, the pledge is subject to the receipt of all required regulatory authorizations, including the approval of this Commission, should the lenders seek to foreclose on the stock. The full collateralization of the letters of credit under the facility indicates that there is an exceedingly low probability, if any, that the guarantees or the collateral provisions of the facility would ever be invoked. The full cash collateralization of each letter of credit means that, if one is drawn upon, it would be covered by cash held by the collateral agent. Thus, the possibility of foreclosure is remote.

Finally, insofar as the DIP financing arrangements, involve inter-company extensions of credit under section 12(d) of the Act, we think it appropriate to authorize the facility as it is now structured and as it may be amended from time to time with the consent of the Bankruptcy Court for purposes of granting waivers, extending maturity dates and similar reasons. We note in this regard that (a) the agreement was entered into prior to Enron's registration under the Act, (b) it contains terms that are typical of debtor-in-possession financing arrangements, (c) it has been approved by the Bankruptcy Court, and (d) post-registration it would be used for a limited purpose that is not likely to adversely affect any Enron subsidiaries.

2. Cash Management

Enron has managed its cash on a centralized basis with funds loaned to or from Enron and to or from certain subsidiaries. As discussed in the Disclosure Statement, prior to the Initial Petition Date, Enron’s automated banking arrangements caused cash to be transferred on a daily basis from certain collection accounts for certain domestic

subsidiaries to an Enron concentration account. Funding for disbursement accounts was also provided on an automated basis. The cash transfers were reflected as intercompany receivables, or payables as the case may be, from an accounting perspective. As reported by the ENA Examiner, the net cash activity from ENA following the Initial Petition Date resulted in an intercompany receivable of approximately $481 million to ENA from Enron. Enron has discontinued this automated process.

On February 25, 2002, after notice and a two-day evidentiary hearing, the Bankruptcy Court entered the Amended Cash Management Order, which was proposed by the Creditors' Committee, with the consent of the Debtors. The Amended Cash Management Order authorizes the Debtors to continue using their centralized cash management system, subject to certain amendments. The amendments include, without limitation, a temporary prohibition on cash transfers from ENA to affiliates (later permanently extended by separate order) and a grant of adequate protection for intercompany transfers in the form of superpriority Junior Reimbursement Claims or Junior Liens, as defined below.[36] Such Junior Reimbursement Claims and Junior Liens

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[36] Docket No. 0034, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), Dec. 3, 2001 (U.S. Bankruptcy Court, S.D.N.Y.); Docket No. 1666, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), Feb. 25, 2002 (U.S. Bankruptcy Court, S.D.N.Y.) ("Amended Cash Management Order"). These orders are attached to the Omnibus Application as Exhibits J-3 and J-4. The Amended Cash Management Order provides:

> Notwithstanding any other Order of the Court, and as adequate protection for each Debtor for the continued use of the Centralized Cash Management System, to the extent that any Debtor transfers (or transferred) property (including cash) following the Petition Date (the "Adequately Protected Debtor") to or for the benefit of any other Debtor (the "Beneficiary Debtor"), with an aggregate fair value in excess of the aggregate fair value of property (including cash) or benefit received by the Adequately Protected

are junior and subject and subordinate only to the superpriority claims and liens granted to the DIP Lenders and their agent in respect of the Debtors' DIP obligations, and thus provide extensive protections to the Debtors and their creditors.[37] Although the Debtors are not substantively consolidated under chapter 11, for purposes of administering the estate and resolving the claims against the Debtors, the Debtors' chapter 11 cases are jointly administered and a global compromise and settlement has been reached among the Debtors, the ENA Examiner and the Creditors' Committee to treat the Enron group as a whole for some purposes, as discussed in the Plan Application.

Applicants seek Commission authorization to continue to borrow and lend funds between associate companies in accordance with the Amended Cash Management Order as the order may be amended by the Bankruptcy Court. Applicants state that such loans are necessary to further the efficient resolution of the Debtors' chapter 11 cases. They

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> Debtor from the Beneficiary Debtor following the Petition Date, then … (a) the Adequately Protected Debtor shall have (x) an allowed claim against the Beneficiary Debtor for the fair value of property (including cash) or benefit transferred (net of any reasonable expenses for overhead or other services reasonably allocated or reasonably charged to the Adequately Protected Debtor), under Sections 364(c)(1) and 507(b), having priority over any and all administrative expenses of the kind specified in Sections 503(b) and 507(b) of the Bankruptcy Code, which claim shall bear interest at the Prevailing Rate…for the period accruing from and after the date such claim arises until repayment thereof (collectively, the "Junior Reimbursement Claim") and (y) a lien on all property of the Beneficiary Debtor's estate under Section 364(c)(3) of the Bankruptcy Code securing such Junior Reimbursement Claim ("Junior Lien"). . . .

Amended Cash Management Order, ¶ 5(a).

[37] The rate for notes entered into in connection with such loans bear interest at the rate of one-month LIBOR plus 250 basis points, measured on the first day of the month.

explain that it would not be practical to cease using the financing flexibility provided by the Amended Cash Management Order and, for example, to rely solely on the Amended DIP Credit Facility, as that facility is now only for letters of credit and changing it into a borrowing facility would require extensive negotiations with banks. More importantly, however, they state that replacing the intrasystem loans with an amended DIP loan facility would be detrimental to the estates, which would incur fees, expenses and encumbrances in borrowing from banks that they can avoid by borrowing internally.

Given the joint administration of the Debtors in these chapter 11 cases, it is appropriate that the Amended Cash Management Order provide, as it does, a means for jointly financing these entities. Furthermore, without such loans Enron's ability to operate its business and its work of selling, restructuring and disposing of assets would be significantly impaired. In addition, the superpriority Junior Reimbursement Claims and Junior Liens with respect to loans made under the Amended Cash Management Order assure that the Adequately Protected Debtor's claim to the funds loaned will be secure. Portland General is not a lender to Enron or any other Enron group company under the Amended Cash Management Order or otherwise and will not make loans under the requested authorization. The Commission finds that, on the special facts of this matter, the cash management system is necessary and appropriate and not detrimental to the public interest or the interests of investors and consumers.[38]

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[38] The cash management arrangements for which Enron seeks authorization permit the efficient use of the cash resources of the Enron group, without any adverse effect on Portland General. In this respect, the cash management arrangements are similar to the money pool financing arrangements authorized by the Commission as a matter of course. *See, e.g., NiSource Inc.*, Holding Co. Act Release No. 27789 (Dec. 30, 2003).

B. Intra-System Service Transactions

Section 13(a) prohibits the provision of services or sales by a registered holding company to a public-utility company, but further provides that this prohibition shall not apply to such transactions, involving special or unusual circumstances or not in the ordinary course of business, as the Commission by rules or order may exempt as being necessary or appropriate in the public interest or for the protection of investors or consumers. Given the limited nature of the services and the limited amount of time Portland General will likely continue to be a part of the bankrupt Enron system, it would be unduly disruptive to the process of ongoing divestment to warrant such compliance. In addition, and importantly, these services will be provided at cost. The Commission has in the past allowed holding companies to provide services for limited periods after registration while they formed services company subsidiaries.[39] The Commission finds that special and unusual circumstances exist here so as to permit Enron to provide services to Portland General.

Under section 13(b) and rule 90, a subsidiary of a registered holding company may provide services or sell goods to an associate company, provided such services are provided "at cost" pursuant to rule 91. Section 13(b) further provides that the "at cost" requirement shall not apply to transactions that the Commission may conditionally or unconditionally exempt as being necessary or appropriate in the public interest or for the

[39] *See, e.g.*, *AGL Resources, Inc.*, Holding Co. Act Release No. 27243 (Oct. 5, 2000); *FirstEnergy Corp.*, Holding Co. Act Release No. 27549 (Commission granted limited periods of time for AGL Resources, Inc. and FirstEnergy Corp. to continue to provide affiliate services, pending transition of the provision of those services to an authorized service company subsidiary).

protection of investors or consumers, if such transactions, *inter alia*, involve special or unusual circumstances or are not in the ordinary course of business.[40]

With respect to Enron's nonutility subsidiaries, compliance with the section 13 "at cost" provisions would require restructuring and re-negotiation of current contracts. We are of the opinion that bankruptcy embodies a host of special or unusual circumstances. Accordingly, we will not require at-cost pricing of the current service agreements.

C. Tax Allocation Agreements

Tax allocation agreements between a registered holding company and its subsidiaries are subject to section 12(b) of the Act and rule 45. Rule 45(a) generally prohibits any registered holding company or subsidiary company from, directly or indirectly, lending or in any manner extending its credit to or indemnifying, or making any donation or capital contribution to, any company in the same holding company system, unless authorized by order of the Commission.

While rule 45(c) provides an exception to rule 45(a), section 12(b) and rule 45(a) remain available as a basis for obtaining Commission approval for, among other things, a tax allocation agreement that does not comply with rule 45(c) in all respects. The Commission has previously approved tax allocation methodologies that did not comply with rule 45(c) to the extent that the methodology permitted the registered holding company to retain tax benefits on indebtedness incurred in a merger transaction.

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[40] *See, e.g.*, *New England Electric System*, Holding Co. Act Release No. 22309 (Dec. 9, 1981); *KeySpan Corporation, Northeast Gas Markets LLC, et al.*, Holding Co. Act Release No. 27638 (January 14, 2003) (granting exemption from cost standard under section 13(b) due to special or unusual circumstances).

Portland General has entered into a tax-sharing arrangement with Enron pursuant to which Portland General will be responsible for the amount of income tax that Portland General would have paid on a "stand-alone" basis, and Enron will be obligated to make payments to Portland General as a compensation for the use of Portland General's losses and/or credits to the extent that such losses and/or credits have reduced the consolidated income tax liability. Enron will be responsible for, among other things, the preparation and filing of all required consolidated returns on behalf of Portland General and its subsidiaries, making elections and adopting accounting methods, filing claims for refunds or credits and managing audits and other administrative proceedings conducted by the taxing authorities.

The consolidated tax filing agreement does not comply with rule 45(c) under the Act because Enron shares in the tax savings from the consolidation ratably with Portland General. In particular, to the extent Enron's losses or tax credits reduce the consolidated tax liability, Enron would retain the resulting tax savings. Enron seeks authorization to continue to perform under such agreement or a new agreement under similar terms. Under such agreement, the consolidated tax liability for each taxable period would be allocated to Enron, Portland General and its subsidiaries in proportion to (i) the corporate taxable income of each company, or (ii) the separate return tax of each company, provided that the tax apportioned to any company shall not exceed the separate return of such company.

Similar to Portland General, under the agreement, each subsidiary of CrossCountry that is a member of the Enron tax group will be obligated to pay Enron the amount of income tax that such entity would have paid on a stand-alone basis and each of

the parties and their respective subsidiaries will be compensated for the use of their respective net operating losses and/or tax credits to the extent utilized in the Enron consolidated return.

Prior to a subsidiary of Enron that is a party to a tax allocation agreement ceasing to be a member of the Enron consolidated tax group, all intercompany payable accounts and intercompany receivable accounts of such subsidiary will be offset and netted against each other. If the resulting net balance is a payable from such subsidiary to Enron, then such subsidiary will pay the amount due to Enron.

The value of Enron's tax losses and credits are assets of the bankruptcy estate and it is appropriate that Enron retain these assets for the benefit of the creditors of the estate. The tax losses that Enron and its subsidiaries other than Portland General have incurred resulted from losses incurred by Enron's creditors. Thus, it is appropriate that they should receive the economic benefit of the associated losses.

Moreover, Applicants state that a change in the allocation of the value of Enron's tax losses and credits would upset the global compromise reached between the Debtors and creditors which is described in more detail in Enron's application for authorization of the Chapter 11 plan and other relief (SEC File No. 70-10199). The compromise was intended to (a) maximize the value of the Debtors' estates to creditors, (b) resolve issues regarding substantive consolidation and other inter-estate and inter-creditor disputes, and (c) facilitate an orderly and efficient distribution of value to creditors. The manner in which Enron's tax losses and credits are proposed to be utilized represents significant value to the Enron estate, which would be unavailable if the provisions of rule 45(c), requiring the distribution of that value to Enron's subsidiaries, were followed. A result

other than what is proposed also may require a reevaluation of intercompany claims. The relief requested herein is, therefore, necessary to effect the Chapter 11 plan and the compromises reached therein. The relief also appropriately balances the interests of investors, now creditors, and consumers under the Act.

The Commission is of the opinion that, as the tax losses at issue were not incurred in connection with Portland General's utility business but are the losses of Enron's creditors, the relief requested from rule 45(c) is appropriate in the unusual situation presented to us.[41]

D. Form U5B

As mentioned above,Enron seeks a modification to the Commission's reporting requirement to permit it to submit the Disclosure Statement *in lieu* of a Registration Statement on Form U5B. The Disclosure Statement contains a substantial portion of the information that is required of a registrant under Form U5B. Enron has undertaken, if requested, to provide additional information required in Form U5B but not included in the Disclosure Statement. The Disclosure Statement appears to provide sufficient information to make its filing *in lieu* of the U5B acceptable.[42]

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[41] The Commission has previously authorized tax allocation agreements that do not comply with all of the provisions of rule 45(c). *SCANA Corporation, et al*., Holding Co. Act Release No. 27774 (Dec. 18, 2003); *Energy East Corporation, et al*., Holding Co. Act Release No. 35-27643 (Jan. 28, 2003); *Progress Energy, Inc., et al*., Holding Co. Act Release No. 27522 (Apr. 18, 2002).

[42] Section 5(b) of the Act requires that a newly registered holding company file a registration with the Commission "in such form as the Commission shall by rules, regulation or order prescribe as necessary or appropriate in the public interest or for the interest of investors or consumers." Section 5(b) then indicates the information necessary. Form U5B is the form prescribed for collecting the information required by section 5(b).

At the same time, it is clear that Enron and most of its associate companies, other than Portland General, will never be able to satisfy certain of the requirements of section 5(b). For example, section 5(b) would require, among other things, balance sheets and audited financial statements. These records are not available. Under the circumstances, the company should not be held to these requirements.

V. Conclusion

The Commission has examined the Applicants' requests and has concluded, based on the record before it, that the applicable standards of the Act and rules under the Act are satisfied and that no adverse findings are necessary.

Applicants state that the fees, commissions and expenses to be incurred in connection with the proposed transactions are estimated to be $200,000. Applicants state that no state or federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Due notice of the filing of the post-effective amendment has been given in the manner prescribed by rule 23 under the Act, and no hearing has been requested of or ordered by the Commission. Based on the facts in the record, the Commission finds that the applicable standards of the Act are satisfied and that no adverse findings are necessary.

IT IS ORDERED, except for matters over which jurisdiction is reserved, that the Application be granted and permitted to become effective immediately, subject to the terms and conditions prescribed in rule 24 under the Act and the reporting conditions set forth above.

IT IS FURTHER ORDERED that this order is conditioned upon Enron registering under the Act prior to the issuance of this order and the ordering of the Plan Application.

IT IS FURTHER ORDERED that jurisdiction is reserved over (i) the issuance by Portland General of any short-term securities that are rated below investment grade, from at least one nationally recognized statistical rating organization, and (ii) the Transition Services Agreement, pending completion of the record.

By the Commission

Jill M. Peterson
Assistant Secretary

EXHIBIT A

GLOSSARY

Term	Definition	Source
ACFI	Atlantic Commercial Finance, Inc., a Delaware corporation and a Debtor.	Disclosure Statement: A-1
ACFI Guaranty Claim	Any Unsecured Claim, other than an Intercompany Claim, against ACFI arising from or relating to an agreement by ACFI to guarantee or otherwise satisfy the obligations of another Debtor, including, without limitation, any Claim arising from or relating to rights of contribution or reimbursement.	Disclosure Statement: A-1
Adequately Protected Debtor	Any Debtor which transfers property (including cash) following the Petition Date to or for the benefit of any other Debtor.	Amended Cash Management Order
Administrative Expense Claim	Any Claim constituting a cost or expense of administration of the chapter 11 cases asserted or authorized to be asserted in accordance with sections 503(b) and 507(a)(1) of the Bankruptcy Code during the period up to and including the Effective Date, including, without limitation, any actual and necessary costs and expenses of preserving the estates of the Debtors, any actual and necessary costs and expenses of operating the businesses of the Debtors in Possession, any post-Petition Date loans and advances extended by one Debtor to another Debtor, any costs and expenses of the Debtors in Possession for the management, maintenance, preservation, sale or other disposition of any assets, the administration and implementation of the Plan, the administration, prosecution or defense of Claims by or against the Debtors and for distributions under the Plan, any guarantees or indemnification obligations extended by the Debtors in Possession, any Claims for reclamation in accordance with section 546(c)(2) of the Bankruptcy Code allowed pursuant to final order, any Claims for compensation and reimbursement of expenses arising during the period from and after the respective Petition Dates and prior to the Effective Date and awarded by the Bankruptcy Court in accordance with sections 328, 330, 331 or 503(b) of the Bankruptcy Code or otherwise in accordance with the provisions of the Plan, whether fixed before or after the Effective Date, and any fees or charges assessed against the Debtors' estates pursuant to section 1930, chapter 123, Title 28, United States Code.	Disclosure Statement: A-3
Aggregate Commitment	The aggregate of the Commitments of all the lenders, as changed from time to time pursuant to the terms of the Portland General Credit	Portland General

	Agreement.	Credit Agreement
Aggregate Outstanding Credit Exposure	At any time, the aggregate of the Outstanding Credit Exposure of all the Lenders under the Portland General Credit Agreement.	Portland General Credit Agreement
Allowed Claim/Allowed Equity Interest	Any Claim against or Equity Interest in any of the Debtors or the Debtors' estates, (i) proof of which was filed on or before the date designated by the Bankruptcy Court as the last date for filing such proof of Claim against or Equity Interest in any such Debtor or such Debtor's estate, (ii) if no proof of Claim or Equity Interest has been timely filed, which has been or hereafter is listed by such Debtor in its Schedules as liquidated in amount and not disputed or contingent or (iii) any Equity Interest registered in the stock register maintained by or on behalf of the Debtors as of the Record Date, in each such case in clauses (i), (ii) and (iii) above, a Claim or Equity Interest as to which no objection to the allowance thereof, or action to equitably subordinate or otherwise limit recovery with respect thereto, has been interposed within the applicable period of limitation, or as to which an objection has been interposed and such Claim has been allowed in whole or in part by a final order. For purposes of determining the amount of an "Allowed Claim", there shall be deducted therefrom an amount equal to the amount of any claim which the Debtors may hold against the holder thereof, to the extent such claim may be set off pursuant to applicable non-bankruptcy law. Without in any way limiting the foregoing, "Allowed Claim" shall include any Claim arising from the recovery of property in accordance with sections 550 and 553 of the Bankruptcy Code and allowed in accordance with section 502(h) of the Bankruptcy Code, any Claim allowed under or pursuant to the terms of the Plan or any Claim to the extent that it has been allowed pursuant to a final order; provided, however, that (i) Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder unless otherwise specified herein or by order of the Bankruptcy Court, (ii) for any purpose under the Plan, other than with respect to an Allowed ETS Debenture Claim, "Allowed Claim" shall not include interest, penalties, or late charges arising from or relating to the period from and after the Petition Date, and (iii) "Allowed Claim" shall not include any Claim subject to disallowance in accordance with section 502(d) of the Bankruptcy Code.	Disclosure Statement: A-4
Allowed ETS Debenture Claim	An ETS Debenture Claim, to the extent it is or has become an Allowed Claim and set forth on Exhibit "E" to the Plan.	Disclosure Statement: A-5

Allowed General Unsecured Claims	A General Unsecured Claim, to the extent it is or has become an Allowed Claim.	Disclosure Statement: A-5
Allowed Guaranty Claim	A Guaranty Claim, to the extent it is or has become an Allowed Claim.	Disclosure Statement: A-5
Allowed Intercompany Claim	An Intercompany Claim, to the extent it is or has become an Allowed Claim and as set forth on Exhibit "F" to the Plan; provided, however, that, based upon a methodology or procedure agreed upon by the Debtors, the Creditors' Committee and the ENA Examiner and set forth in the Plan Supplement, the amount of each such Intercompany Claim may be adjusted pursuant to a final order of the Bankruptcy Court entered after the date of the Disclosure Statement Order to reflect (a) Allowed Claims, other than Guaranty Claims, arising from a Debtor satisfying, or being deemed to have satisfied, the obligations of another Debtor, (b) Allowed Claims arising under section 502(h) of the Bankruptcy Code solely to the extent that a Debtor does not receive a full recovery due to the effect of the proviso set forth in Section 28.1 of the Plan or (c) Allowed Claims arising from the rejection of written executory contracts or unexpired leases between or among the Debtors, other than with respect to Claims relating to the rejection damages referenced in Section 34.3 of the Plan.	Disclosure Statement: A-5
Alternate Base Rate	For any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the federal funds effective rate for such day plus 0.5% per annum.	Portland General Credit Agreement
Amended Cash Management Order	The Amended order Authorizing Continued Use of Existing Bank Accounts, Cash Management System, Checks and Business Forms, and Granting Inter-Company Superprioity Claims, Pursuant to 11 U.S.C. §§ 361, 363(e), 362 and 507(b), as Adequate Protection (Docket #1666).	Disclosure Statement: A-6
Amended DIP Credit Agreement	That certain Amended and Restated Revolving Credit and Guaranty Agreement dated as of June 14, 2002, by and among Enron, as borrower, each of the direct or indirect subsidiaries of Enron as party thereto, as guarantors, the DIP Lenders, JPMCB and Citicorp, as co-administrative agents, Citicorp, as paying agent, and JPMCB, as collateral agent.	Disclosure Statement: A-6
Applicable Margin	(a) With respect to Eurodollar Ratable Advances at any time, the percentage rate per annum under the heading "Eurodollar Applicable Margin" in the Pricing Schedule which is applicable at such time; and (b) with respect to Floating Rate Advances at any time, the percentage rate per annum under the heading "Base Rate Applicable Margin" in the Pricing Schedule which is applicable at such time.	Portland General Credit Agreement

Ardmore Data Center	The primary internet/telecommunications center for Enron and its Affiliates, including the Pipeline Businesses.	Disclosure Statement: A-7
Assets	With respect to a Debtor, (a) all "property" of such Debtor's estate, as defined in section 541 of the Bankruptcy Code, including such property as is reflected on such Debtor's books and records as of the date of the Disclosure Statement Order, unless modified pursuant to the Plan or a final order and (b) all claims and causes of action, including those that may be allocated or reallocated in accordance with the provisions of Articles II, XXII, XXIII and XXVIII of the Plan, that have been or may be commenced by such Debtor in Possession or other authorized representative for the benefit of such Debtor's estate, unless modified pursuant to the Plan or a final order; provided, however, that, "Assets" shall not include claims and causes of action which are the subject of the Severance Settlement Fund Litigation or such other property otherwise provided for in the Plan or by a final order; and, provided, further, that, in the event that the Litigation Trust or the Special Litigation Trust is created, Litigation Trust Claims or Special Litigation Claims, as the case may be, shall not constitute "Assets."	Disclosure Statement: A-7
Bighorn	Bighorn Gas Gathering, L.L.C.	Omnibus: 35
Bridgeline	Bridgeline Holdings, L.P., Bridgeline Storage and Bridgeline Distribution, collectively.	Disclosure Statement: A-10
Business Day	A day other than a Saturday, a Sunday or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.	Disclosure Statement: A-10
CES	CrossCountry Energy Services, LLC, (successor-in-interest to CGNN Holding Company, Inc.), a non-Debtor affiliate of Enron and a wholly owned subsidiary of ETS.	Disclosure Statement: A-12
Citicorp.	Citicorp USA, Inc.	Disclosure Statement: A-12
Citrus	Citrus Corp.	Disclosure Statement: A-12
Claim	Any right to payment from the Debtors or from property of the Debtors or their estates, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, known or unknown or asserted; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtors or from property of the Debtors, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured,	Disclosure Statement: A-12

	unmatured, disputed, undisputed, secured, or unsecured.	
Commitment	For each Lender under the Portland General Credit Agreement, the obligation of such Lender to make Ratable Loans to, and participate in Facility LCs issued upon the application of, Portland General in an aggregate amount not exceeding the amount set forth on Schedule 3 or as set forth in any notice of assignment relating to any assignment that has become effective pursuant to Section 12.3.2 of the Portland General Credit Agreement as such amount may be modified from time to time pursuant to the term thereof.	Portland General Credit Agreement
Common Equity Interest	A common Equity Interest.	Disclosure Statement: A-13
Confirmation Date	The date the clerk of the Bankruptcy court enters the Confirmation Order on the docket of the Bankruptcy Court with respect to the Debtors' chapter 11 cases.	Disclosure Statement: A-14
Confirmation Hearing	The hearing to consider confirmation of the Plan in accordance with section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.	Disclosure Statement: A-14
Confirmation Order	The order of the Bankruptcy Court confirming the Plan.	Disclosure Statement: A-14
Convenience Claim	Except as provided in Section 16.2 of the Plan, any Claim equal to or less than Fifty Thousand Dollars ($50,000.00) or greater than Fifty Thousand Dollars ($50,000.00) but with respect to which the holder thereof voluntarily reduces the Claim to Fifty Thousand Dollars ($50,000.00) on the ballot; provided, however, that, for purposes of the Plan and the distributions to be made thereunder, "Convenience Claim" shall not include (i) an Enron Senior Note Claim, (ii) an Enron Subordinated Debenture Claim, (iii) an ETS Debenture Claim, (iv) an ENA Debenture Claim, (v) an Enron TOPRS Debenture Claim and (vi) any other Claim that is a component of a larger Claim, portions of which may be held by one or more holders of Allowed Claims.	Disclosure Statement: A-16
Creditor	Any person or entity holding a Claim against the Debtors' estates or, pursuant to section 102(2) of the Bankruptcy Code, against property of the Debtors that arose or is deemed to have arisen on or prior to the Petition Date, including, without limitation, a Claim against any of the Debtors or Debtors in Possession of a kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code.	Disclosure Statement: A-16
CrossCountry	CrossCountry Energy, LLC, a Delaware limited liability company, formed on or prior to the Effective Date, the assets of which shall consist of the CrossCountry Assets; provided, however, unless the context required otherwise, references to "CrossCountry" shall also be deemed references to the entity that the Debtors and the Creditors' Committee designate as CrossCountry Distributing Company in	Disclosure Statement: A-16

	accordance with the Plan, whether by consummation of the CrossCountry Transaction or the declaration of CrossCountry as CrossCountry Distributing Company, whether in its current form as a limited liability company or as converted to a corporation.	
CrossCountry Distributing Company	The Entity designated jointly by the Debtors and the Creditor's Committee pursuant to the Plan to distribute shares of capital stock or equity interests in accordance with Section 32.1(c) of the Plan representing interests in the CrossCountry Assets.	Disclosure Statement: A-18
CrossCountry Enron Parties	Enron, ETS, EOC Preferred (as successor to Enron Operations, L.P.) and EOS, which comprise the parties, in addition to CrossCountry, CrossCountry Citrus Corp. and CrossCountry Energy Corp., which are parties to the CrossCountry Contribution and Separation Agreement.	Disclosure Statement: A-18
CrossCountry Transaction	The transaction, described in the Disclosure Statement, Section IX.F.1 "Formation of CrossCountry," entered into by the CrossCountry Enron Parties, CrossCountry and CrossCountry Distributing Company, with the consent of the Creditors' Committee and consistent with the Plan, pursuant to which the equity interests in CrossCountry would be exchanged for equity interests in CrossCountry Distributing Company and CrossCountry Distributing Company obtains the direct or indirect ownership of the Pipeline Businesses and services companies held by CrossCountry.	Disclosure Statement: A-18
Debtor in Possession or DIP	The Debtors as Debtors in possession pursuant to sections 1101(1) and 1107(a) of the Bankruptcy Code.	Disclosure Statement: A-21
DIP Credit Agreement	Revolving Credit and Guaranty Agreement, dated as of December 3, 2001, by and among Enron and ENA, as borrowers, each of the direct or indirect Debtor subsidiaries of Enron and ENA party thereto, as guarantors, JPMCB and Citicorp, as co-administrative agents, Citicorp, as paying agent, JPMCB, as collateral agent, and the lenders party thereto, as lenders.	Disclosure Statement: A-22
DIP Lenders	The lenders under the DIP Credit Agreement, as amended.	Disclosure Statement: A-22
Disbursing Agent	Solely in its capacity as agent of the Debtors to effectuate distributions pursuant to the Plan, the Reorganized Debtors, the Reorganized Debtor Plan Administrator or such other Entity as may be designated by the Debtors, with the consent of the Creditors' Committee, and appointed by the Bankruptcy Court and set forth in the Confirmation Order.	Disclosure Statement: A-22
Disputed Claim; Disputed Equity Interest	Any Claim against or Equity Interest in the Debtors, to the extent the allowance of such Claim or Equity Interest is the subject of a timely objection or request for estimation, or is otherwise disputed by the Debtors in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn, with prejudice or	Disclosure Statement: A-23

	determined by a final order.	
Disputed Claims Reserve	From and after the Effective Date, and until such time as all Disputed Claims have been compromised and settled or determined by final order, the Disbursing Agent shall reserve and hold in escrow for the benefit of each holder of a Disputed Claim, Cash, Plan Securities, Operating Trust Interests, Remaining Asset Trust Interests, Litigation Trust Interests and Special Litigation Trust Interests and any dividends, gains or income attributable thereto, in an amount equal to the pro rata share of distributions which would have been made to the holder of such Disputed Claim if it were an Allowed Claim in an amount equal to the lesser of: (i) the Disputed Claim Amount, (ii) the amount in which the Disputed Claim shall be estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code for purposes of allowance, which amount, unless otherwise ordered by the Bankruptcy Court, shall constitute and represent the maximum amount in which such Claim may ultimately become an Allowed Claim, or (iii) such other amount as may be agreed upon by the holder of such Disputed Claim and the Reorganized Debtors; provided, however, that, under no circumstances, shall a holder of an Allowed Convenience Claim be entitled to distributions of Litigation Trust Interests, Special Litigation Trusts Interests or the proceeds thereof. Any Cash, Plan Securities, Operating Trust Interests, Remaining Asset Trust Interests, Litigation Trust Interests and Special Litigation Trust Interests reserved and held for the benefit of a holder of a Disputed Claim shall be treated as a payment and reduction on account of such Disputed Claim for purposes of computing any additional amounts to be paid in Cash or distributed in Plan Securities in the event the Disputed Claim ultimately becomes an Allowed Claim. Such Cash and any dividends, gains or income paid on account of Plan Securities, Operating Trust Interests, Remaining Asset Trust Interests, Litigation Trust Interests and Special Litigation Trust Interests reserved for the benefit of holders of Disputed Claims shall be either: (x) held by the Disbursing Agent, in an interest-bearing account or (y) invested in interest-bearing obligations issued by the United States government, or by an agency of the United States government and guaranteed by the United States government, and having (in either case) a maturity of not more than thirty (30) days, for the benefit of such holders pending determination of their entitlement thereto under the terms of the Plan. No payments or distributions shall be made with respect to all or any portion of any Disputed Claim pending the entire resolution thereof by final order.	Disclosure Statement: A-22
Effective Date	The earlier to occur of: (a) the first (1st) Business Day following the Confirmation Date that (i) the conditions to effectiveness of the Plan set forth in Section 37.1 of the Plan have been satisfied or otherwise waived in accordance with Section 37.2 of the Plan, but in no event earlier than December 31, 2004, and (ii) the effectiveness of the Confirmation Order	Disclosure Statement: A-29

	shall not be stayed and (b) such other date following the Confirmation Date that the Debtors and the Creditors' Committee, in their joint and absolute discretion, designate.	
ENA Examiner	Harrison J. Goldin, appointed as examiner of ENA pursuant to the Bankruptcy Court's order, dated March 12, 2002.	Disclosure Statement: A-33
Enron Common Equity Interest	An Equity Interest represented by one of the one billion two hundred million (1,200,000,000) authorized shares of common stock of Enron as of the Petition Date or any interest or right to convert into such an equity interest or acquire any equity interest of the Debtors which was in existence immediately prior to or on the Petition Date.	Disclosure Statement: A-36
Enron Preferred Equity Interest	An Equity Interest represented by an issued and outstanding share of preferred stock of Enron as of the Petition Date, including, without limitation, that certain (a) Cumulative Second Preferred Convertible Stock, (b) 9.142% Perpetual Second Preferred Stock, (c) Mandatorily Convertible Junior Preferred Stock, Series B, and (d) Mandatorily Convertible Single Reset Preferred Stock, Series C, or any other interest or right to convert into such a preferred equity interest or acquire any preferred equity interest of the Debtors which was in existence immediately prior to the Petition Date.	Disclosure Statement: A-38
Enron TOPRS Debenture Claim	Any General Unsecured Claim arising from or relating to the Enron TOPRS Indentures.	Disclosure Statement: A-39
Enron TOPRS Debentures	The 7.75% subordinated debentures due 2016, issued in the original aggregate principal amount of $181,926,000.00 and the 7.75% subordinated debentures Due 2016, Series II, issued in the original aggregate principal amount of $136,450,000.00, pursuant to the Enron TOPRS Indentures.	Disclosure Statement: A-40
Enron TOPRS Indentures	That certain (1) Indenture, dated as of November 21, 1996, between ENE, as Issuer, and The Chase Manhattan Bank, as Indenture Trustee, and (2) Indenture, dated as of January 16, 1997, between Enron, as Issuer, and The Chase Manhattan Bank, as Indenture Trustee.	Disclosure Statement: A-40
EOC Preferred	EOC Preferred, L.L.C., a non-Debtor affiliate of Enron.	Disclosure Statement: A-40
EOS	Enron Operations Services, LLC, a Debtor.	Disclosure Statement: A-40
EPC	Enron Power Corp., a Delaware corporation and a Debtor.	Disclosure Statement: A-41
EPC Guaranty Claim	Any Unsecured Claim, other than an Intercompany Claim, against EPC arising from or relating to an agreement by EPC to guarantee or otherwise satisfy the obligations of another Debtor, including, without limitation, any Claim arising from or relating to rights of contribution or	Disclosure Statement: A-41

	reimbursement.	
Equity Interests	Any equity interest in any of the Debtors represented by duly authorized, validly issued and outstanding shares of preferred stock or common stock or any interest or right to convert into such an equity interest or acquire any equity interest of the Debtors which was in existence immediately prior to or on the Petition Date.	Disclosure Statement: A-43
ETS	Enron Transportation Services, LLC, a Delaware limited liability company and successor-in-interest to Enron Transportation Services Company, one of the Debtors.	Disclosure Statement: A-44
ETS Debenture Claim	Any General Unsecured Claim arising from or relating to the ETS Indentures.	Disclosure Statement: A-44
ETS Indentures	That certain (1) Indenture, dated as of November 21, 1996, by and among Enron Pipeline Company, now known as ETS, as issuer, Enron, as guarantor, and The Chase Manhattan Bank, as Indenture Trustee, and (2) Indenture, dated as of January 16, 1997, by and among Enron Pipeline Company, now known as ETS, as issuer, Enron, as guarantor, and The Chase Manhattan Bank, as Indenture Trustee.	Disclosure Statement: A-44
ETS Indenture Trustee	National City Bank, solely in its capacity as successor in interest to The Chase Manhattan Bank, as indenture trustee under the ETS Indentures, or its duly appointed successor.	Disclosure Statement: A-44
Eurodollar Advance	A Eurodollar Ratable Advance, a Eurodollar Bid Rate Advance, or both, as the context may require.	Portland General Credit Agreement
Eurodollar Bid Rate	With respect to a Eurodollar Bid Rate Loan made by a given Lender for the relevant Eurodollar Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Competitive Bid Margin offered by such Lender and accepted by Portland General.	Portland General Credit Agreement
Eurodollar Bid Rate Loan	A loan which bears interest at a Eurodollar Bid Rate.	Portland General Credit Agreement
Eurodollar Interest Period	With respect to an Eurodollar Advance, a period of one, two, three or six months commencing on a business day selected by the Borrower pursuant to the Portland General Credit Agreement. Such Eurodollar Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter, provided that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Eurodollar Interest Period shall end on the last business day of such next, second, third or sixth succeeding month. If a Eurodollar Interest Period would otherwise end on a day which is	Portland General Credit Agreement

	not a business day, such Eurodollar Interest Period shall end on the next succeeding business day, provided that if said next succeeding business day falls in a new calendar month, such Eurodollar Interest Period shall end on the immediately preceding business day.	
Eurodollar Ratable Advance	A Ratable Advance which bears interest at a Eurodollar Rate requested by Portland General pursuant to Section 2.2 of the Portland General Credit Agreement.	Portland General Credit Agreement
Eurodollar Ratable Loan	A Ratable Loan which bears interest at a Eurodollar Rate requested by Portland General pursuant to Section 2.2 of the Portland General Credit Agreement.	Portland General Credit Agreement
Eurodollar Rate	With respect to a Eurodollar Ratable Advance for the relevant Eurodollar Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Eurodollar Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Eurodollar Interest Period, plus (ii) the Applicable Margin.	Portland General Credit Agreement
Facility LCs	Existing and standby letters of credit under the Portland General Credit Agreement.	Portland General Credit Agreement
Floating Rate	For any day, a rate per annum equal to the sum of (i) the Alternate Base Rate for such day, changing when and as the Alternate Base Rate changes, plus (ii) the Applicable Margin.	Portland General Credit Agreement
Floating Rate Advance	An Advance which, except as otherwise provided in Section 2.9 of the Portland General Credit Agreement, bears interest at the Floating Rate.	Portland General Credit Agreement
Initial Petition Date	December 2, 2001, the date on which Enron and thirteen of its direct and indirect subsidiaries filed their voluntary petitions for relief commencing the chapter 11 cases.	Disclosure Statement: A-50
Intercompany Claims	Any Unsecured Claim held by any Debtor, other than the Portland Debtors, against any other Debtor, other than the Portland Debtors.	Disclosure Statement: A-50
Interim DIP Order	Bankruptcy Court order (Docket #63) approving the DIP Credit Agreement on an interim basis.	Disclosure Statement: A-51
IRS	Internal Revenue Service, an agency of the United States Department of Treasury.	Disclosure Statement: A-51
IRS Code	Internal Revenue Code of 1986, as amended from time to time.	Disclosure Statement: A-51
General Unsecured	An unsecured Claim, other than a Guaranty Claim, or an Intercompany	Disclosure

Claim	Claim.	Statement: A-48
Guaranty Claims	ACFI Guaranty Claims, ENA Guaranty Claims, Enron Guaranty Claims, EPC Guaranty Claims and Wind Guaranty Claims.	Disclosure Statement: A-48
Guardian	Guardian Pipeline, LLC.	Disclosure Statement: A-49
Junior Liens	Has the meaning set forth in Section IV.A.3 of the Disclosure Statement.	Disclosure Statement: A-52
Junior Reimbursement Claims	Has the meaning set forth in Section IV.A.3 of the Disclosure Statement.	Disclosure Statement: A-52
LC Obligations	At any time, the sum, without duplication, of (i) the aggregate undrawn stated amount under all Facility LCs outstanding at such time plus (ii) the aggregate unpaid amount of all Reimbursement Obligations at such time.	Portland General Credit Agreement
Lenders	The financial institutions and their respective successors and assigns, which are parties to the Portland General Credit Agreement.	Portland General Credit Agreement
Litigation Trust	The Entity, if jointly determined by the Debtors and, provided that the Creditors' Committee has not been dissolved in accordance with the provisions of Section 33.1 of the Plan, the Creditors' Committee, to be created on or prior to December 31st of the calendar year in which the Effective Date occurs, unless such date is otherwise extended by the Debtors and the Creditors' Committee, in their joint and absolute discretion and by notice filed with the Bankruptcy Court, in accordance with the provisions of Article XXII of the Plan and the Litigation Trust Agreement for the benefit of holders of Allowed Claims, as if Litigation Trust Claims were owned by Enron, in accordance with the terms and provisions of the Distribution Model and Article XXII of the Plan.	Disclosure Statement: A-53
Litigation Trust Claims	All claims and causes of action asserted, or which may be asserted, by or on behalf of the Debtors or the Debtors' estates (i) in the MegaClaim Litigation, (ii) in the Montgomery County Litigation (other than claims and causes of action against insiders or former insiders of the Debtors), (iii) of the same nature against other financial institutions, law firms, accountants and accounting firms, certain of the Debtors' other professionals and such other Entities as may be described in the Plan Supplement and (iv) arising under or pursuant to sections 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code against the entities referenced in subsections (i), (ii) and (iii) above; provided, however, that, under no circumstances, shall such claims and causes of action	Disclosure Statement: A-54

	include (a) Special Litigation Trust Claims to be prosecuted by the Special Litigation Trust and the Special Litigation Trustee pursuant to Article XXIII of the Plan or (b) any claims and causes of action of the estates of the Debtors waived and released in accordance with the provisions of Sections 28.3 and 42.6 of the Plan; and, provided, further, that, in the event that the Debtors and the Creditors' Committee jointly determine not to form the Litigation Trust, the claims and causes of action referred to in clauses (i), (ii), (iii) and (iv) above shall be deemed to be Assets of Enron, notwithstanding the inclusion of Enron and other Debtors or their estates as a plaintiff in such litigation and without the execution and delivery of any additional documents or the entry of any order of the Bankruptcy Court or such other court of competent jurisdiction.	
MegaClaim Litigation	The litigation styled *Enron Corp. and Enron North America Corp. v. Citigroup, Inc., et al*, Adversary Proceeding No. 03-9266 (AJG), pending in the Bankruptcy Court.	Disclosure Statement: A-56
Montgomery County Litigation	The litigation styled *Official Committee of Unsecured Creditors of Enron Corp. v. Fastow*, et al., Case No. 02-10-06531, pending in the District Court for the 9th Judicial District, Montgomery County, Texas.	Disclosure Statement: A-57
Northern Plains	Northern Plains Natural Gas Company.	Disclosure Statement: A-58
Operating Entities	CrossCountry, PGE, and Prisma, together the operating subsidiaries of the Reorganized Debtors.	Disclosure Statement: A-59
Outstanding Credit Exposure	As to any Lender at any time, the sum of (i) the aggregate principal amount of its loans outstanding at such time, plus (ii) an amount equal to its pro rata share of the LC Obligations at such time.	Portland General Credit Agreement
Petition Date	The Initial Petition Date; provided, however, that, with respect to those Debtors which commenced their chapter 11 cases subsequent to December 2, 2001, "*Petition Date*" shall refer to the respective dates on which such chapter 11 cases were commenced.	Disclosure Statement: A-61
PGE Trust	The Entity, if jointly determined by the Debtors and, provided that the Creditors' Committee has not been dissolved in accordance with the provisions of Section 33.1 of the Plan, the Creditors' Committee, to be created on or subsequent to the Confirmation Date, but in no event later than the date on which the Litigation Trust is created, to hold as its sole assets the Existing PGE Common Stock or the PGE Common Stock in lieu thereof, but in no event the assets of PGE.	Disclosure Statement: A-61
Pipeline Businesses	Those pipeline businesses or other energy related businesses associated with the pipeline businesses which are owned or operated by Enron, ETS and EOC Preferred that are anticipated to be contributed for equity	Disclosure Statement: A-62

	interests in CrossCountry pursuant to the CrossCountry Contribution and Separation Agreement.	
Plan Currency	The mixture of Creditor Cash, Prisma Common Stock, CrossCountry Common Equity, and PGE Common Stock to be distributed to holders of Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims pursuant to the Plan; provided, however, that, if jointly determined by the Debtors and the Creditors' Committee, "Plan Currency" may include Prisma Trust Interests, CrossCountry Trust Interests, PGE Trust Interests and the Remaining Asset Trust Interests.	Disclosure Statement: A-63
Plan Securities	Prisma Common Stock, CrossCountry Common Equity and PGE Common Stock.	Disclosure Statement: A-63
Plan Supplement	A separate volume, to be filed with the clerk of the Bankruptcy Court and posted as a "Related Document" at http://www.enron.com/corp/por/, including, among other documents, forms of (1) the Litigation Trust Agreement, (2) the Special Litigation Trust Agreement, (3) the Prisma Trust Agreement, (4) the CrossCountry Trust Agreement, (5) the PGE Trust Agreement, (6) the Remaining Asset Trust Agreement(s), (7) the Common Equity Trust Agreement, (8) the Preferred Equity Trust Agreement, (9) the Prisma Articles of Association, (10) the Prisma Memorandum of Association, (11) the CrossCountry By-laws/Organizational Agreement, (12) the CrossCountry Charter, (13) the PGE By-Laws, (14) the PGE Certificate of Incorporation, (15) the Reorganized Debtor Plan Administration Agreement, (16) the Reorganized Debtors By-laws, (17) the Reorganized Debtors Certificate of Incorporation, (18) the Severance Settlement Fund Trust Agreement, (19) a schedule of the types of Claims entitled to the benefits of subordination afforded by the documents referred to and the definitions set forth on Exhibit "L" to the Plan, (20) a schedule of Allowed General Unsecured Claims held by affiliated non-Debtor Entities and structures created by the Debtors and which are controlled or managed by the Debtors or their Affiliates, (21) a schedule setting forth the identity of the proposed senior officers and directors of Reorganized Enron, (22) a schedule setting forth the identity and compensation of any insiders to be retained or employed by Reorganized Enron, (23) a schedule setting forth the litigation commenced by the Debtors on or after December 15, 2003 to the extent that such litigation is not set forth in the Disclosure Statement, (24) the methodology or procedure agreed upon by the Debtors, the Creditors' Committee and the ENA Examiner with respect to the adjustment of Allowed Intercompany Claims, as referenced in Section 1.21 of the Plan, and to the extent adjusted or to be adjusted pursuant to such methodology or procedure, an updated Exhibit "F" to the Plan and a range of adjustment, which may be made in accordance with Section	Disclosure Statement: A-63

	1.21(c) of the Plan, (25) the guidelines of the Disputed Claims reserve to be created in accordance with Section 21.3 of the Plan, (26) the guidelines for the DCR Overseers in connection with the Disputed Claims reserve and (27) a schedule or description of Litigation Trust Claims and Special Litigation Trust Claims, in each case, consistent with the substance of the economic and governance provisions contained in the Plan, (a) in form and substance satisfactory to the Creditors' Committee and (b) in substance satisfactory to the ENA Examiner. The Plan Supplement shall also set forth the amount of Creditor Cash to be available as of the Effective Date as jointly determined by the Debtors and the Creditors' Committee, which amount may be subsequently adjusted with the consent of the Creditors' Committee. The Plan Supplement (containing drafts or final versions of the foregoing documents) shall be (i) filed with the clerk of the Bankruptcy Court as early as practicable (but in no event later than fifteen (15) days) prior to the Ballot Date, or on such other date as the Bankruptcy Court establishes and (ii) provided to the ENA Examiner as early as practicable (but in no event later than thirty (30) days) prior to the Ballot Date. Poliwatt means Poliwatt Limitada. Ponderosa means Ponderosa Assets, LP. Ponderosa Ltd. means Ponderosa Pine Energy Partners, Ltd. Portland Creditor Cash means at any time, the excess, if any, of (a) all Cash and Cash Equivalents in the Disbursement Account(s) relating to each of the Portland Debtors over (b) such amounts of Cash (i) reasonably determined by the Disbursing Agent as necessary to satisfy, in accordance with the terms and conditions of the Plan, Administrative Expense Claims, Priority Non-Tax Claims, Priority Tax Claims, Convenience Claims and Secured Claims relating to each of the Portland Debtors, (ii) necessary to make pro rata distributions to holders of Disputed Claims as if such Disputed Claims relating to each of the Portland Debtors were, at such time, Allowed Claims and (iii) such other amounts reasonably determined by each of the Reorganized Portland Debtors as necessary to fund the ongoing operations of each of the Reorganized Portland Debtors during the period from the Effective Date up to and including the date such Debtors' chapter 11 cases are closed.	
Portland Debtors	Portland General Holdings, Inc. and Portland Transition Company, Inc.	Disclosure Statement: A-64
Portland General Credit Agreement	The 364-Day Credit Agreement, dated May 28, 2003, among Portland General and the Lenders thereunder and Bank One, NA as administrative agent for the Lenders.	Portland General Credit Agreement
Pricing Schedule	The Schedule attached to the Portland General Credit Agreement and identified as such.	Portland General Credit Agreement

Prime Rate	A rate per annum equal to the prime rate of interest announced by Bank One or by its parent, Bank One Corporation, from time to time, changing when and as said prime rate changes.	Portland General Credit Agreement
Priority Non-Tax Claim	Any Claim against the Debtors, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment in accordance with sections 507(a)(3), (4), (5), (6), (7) or (9) of the Bankruptcy Code, but only to the extent entitled to such priority.	Disclosure Statement: A-65
Priority Tax Claim	Any Claim of a governmental unit against the Debtors entitled to priority in payment under sections 502 (i) and 507(a)(8) of the Bankruptcy Code.	Disclosure Statement: A-65
Prisma	Prisma Energy International Inc., a Cayman Islands company, the assets of which shall consist of the Prisma Assets.	Disclosure Statement: A-65
Prisma Assets	The assets to be contributed into or transferred to Prisma, including, without limitation (a) those assets set forth on Exhibit "H" to the Plan; provided, however, that, in the event that, during the period from the date of the Disclosure Statement Order up to and including the date of the initial distribution of Plan Securities pursuant to the terms and provisions of Section 32.1 of the Plan, the Debtors, with the consent of the Creditors' Committee, determine not to include in Prisma a particular asset set forth on Exhibit "H" to the Plan, the Debtors shall file a notice thereof with the Bankruptcy Court and the value of the Prisma Common Stock shall be reduced by the Value attributable to such asset, as set forth in the Disclosure Statement or determined by the Bankruptcy Court at the Confirmation Hearing, and (b) such other assets as the Debtors, with the consent of the Creditors' Committee, determine on or prior to the date of the initial distribution of Plan Securities pursuant to the terms and provisions of Section 32.1 of the Plan to include in Prisma and the Value of the Prisma Common Stock shall be increased by the Value attributable to any such assets.	Disclosure Statement: A-66
Prisma Articles of Association	The articles of association of Prisma, which articles of association shall be in form and substance satisfactory to the Creditors' Committee and in substantially the form included in the Plan Supplement.	Disclosure Statement: A-65
Prisma Common Stock	The ordinary shares of Prisma authorized and to be issued pursuant to the Plan, which shares shall have a par value of $0.01 per share, of which fifty million (50,000,000) shares shall be authorized and of which forty million (40,000,000) shares shall be issued pursuant to the Plan, and such other rights with respect to dividends, liquidation, voting and other matters as are provided for by applicable nonbankruptcy law or the Prisma Memorandum of Association or the Prisma Articles of Association.	Disclosure Statement: A-66
Prisma Contribution and	The agreement to be entered into by the Prisma Enron Parties and Prisma to govern the contribution of the Prisma Assets to Prisma.	Disclosure Statement: A-

Separation Agreement		66
Prisma Distribution Date	The date on which the Prisma Distribution occurs.	Disclosure Statement: A-66
Prisma Enron Parties	Enron and its affiliates, other than Prisma, that are party to the Prisma Contribution and Separation Agreement.	Disclosure Statement: A-66
Prisma Memorandum of Association	Memorandum of association of Prisma, which memorandum of association shall be in form and substance satisfactory to the Creditors' Committee and in substantially the form included in the Plan Supplement.	Disclosure Statement: A-66
Prisma Trust	The entity, if jointly determined by the Debtors and, provided that the Creditors' Committee has not been dissolved in accordance with the provisions of Section 33.1 of the Plan, the Creditors' Committee, to be created on or subsequent to the Confirmation Date, but in no event later than the date on which the Litigation Trust is created, in addition to the creation of Prisma, and to which Entity shall be conveyed one hundred percent (100%) of the Prisma Common Stock.	Disclosure Statement: A-67
Prisma Trust Agreement	In the event that the Prisma Trust is created, the Prisma Trust Agreement, which agreement shall be in form and substance satisfactory to the Creditors' Committee and substantially in the form contained in the Plan Supplement, pursuant to which the Prisma Trust Board and the Prisma Trustee shall manage, administer, operate and liquidate the assets contained in the Prisma Trust and distribute the proceeds thereof or the Prisma Common Stock.	Disclosure Statement: A-67
Prisma Trust Board	In the event that the Prisma Trust is created, the persons selected by the Debtors, after consultation with the Creditors' Committee, and appointed by the Bankruptcy Court, or any replacements thereafter selected in accordance with the provisions of the Prisma Trust Agreement.	Disclosure Statement: A-67
Prisma Trustee	In the event that the Prisma Trust is created, Stephen Forbes Cooper, LLC or such other Entity appointed by the Prisma Trust Board and approved by the Bankruptcy Court to administer the Prisma Trust in accordance with the provisions of Article XXIV of the Plan and the Prisma Trust Agreement.	Disclosure Statement: A-67
RAC	The Risk Assessment and Control Group for the Enron Companies.	Disclosure Statement A-68
Remaining Asset Trust(s)	One or more Entities, if jointly determined by the Debtors and, provided that the Creditors' Committee has not been dissolved in accordance with the provisions of Section 33.1 of the Plan, the Creditors' Committee, to be created on or after the Confirmation Date, but in no event later than the date on which the Litigation Trust is created, occurs in accordance with the provisions of Article XXV of the Plan and the Remaining Asset Trust Agreement(s) for the benefit of holders of	Disclosure Statement: A-69

	Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims and such other Allowed Claims and Allowed Equity Interests in accordance with the terms and provisions of the Plan.	
Remaining Assets	From and after the Effective Date, all Assets of the Reorganized Debtors; provided, however, that, under no circumstances, shall "Remaining Assets" include (a) Creditor Cash on the Effective Date, (b) the Litigation Trust Claims, (c) the Special Litigation Trust Claims, (d) the Plan Securities and (e) claims and causes of action subject to the Severance Settlement Fund Litigation.	Disclosure Statement: A-69
Reorganized Debtors	The Debtors, other than the Portland Debtors, from and after the Effective Date.	Disclosure Statement: A-70
Reorganized Debtors By-laws	The respective by-laws of the Reorganized Debtors, including Reorganized Enron, which by-laws shall be in form and substance satisfactory to the Creditors' Committee and in substantially the form included in the Plan Supplement.	Disclosure Statement: A-70
Reorganized Debtors Certificate of Incorporation	The respective Certificates of Incorporation of the Reorganized Debtors, which certificates of incorporation shall be in form and substance satisfactory to the Creditors' Committee and in substantially the form included in the Plan Supplement.	Disclosure Statement: A-70
Reorganized Debtor Plan Administrator	Stephen Forbes Cooper, LLC, retained, as of the Effective Date, by the Reorganized Debtors as the employee responsible for, among other things, the matters described in Section 36.2 of the Plan.	Disclosure Statement: A-70
Reorganized Portland Debtors	The Portland Debtors, from and after the Effective Date.	Disclosure Statement: A-70
Ratable Advance	A borrowing (i) made by the Lenders on the same Borrowing Date, or (ii) converted or continued by the Lenders on the same date of conversion or continuation, consisting in either case, of the aggregate amount of the several Ratable Loans of the same type and, in the case of Eurodollar Ratable Loans, for the same interest period.	Portland General Credit Agreement
Reserve Requirement	With respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.	
S&P	Standard & Poor's, a division of The McGraw-Hill Companies, Inc.	Disclosure Statement: A-71
Second Amended DIP Credit Agreement	The Second Amended and Restated Revolving Credit and Guaranty Agreement dated as of May 9, 2003, by and among Enron, as borrower, each of the direct or indirect subsidiaries of Enron party thereto, as guarantors, the DIP Lenders, JPMCB and Citicorp, as co-administrative	Disclosure Statement: A-72

	agents, Citicorp, as paying agent, and JPMCB, as collateral agent.	
Secured Claim	A Claim against the estates of the Debtors (a) secured by a lien on Collateral or (b) subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Collateral or to the extent of the amount subject to setoff, as applicable, as determined in accordance with section 506(a) of the Bankruptcy Code or as otherwise agreed to, in writing, by the (1) Debtors and the holder of such Claim, subject to the consent of the Creditors' Committee, or (2) the Reorganized Debtors and the holder of such Claim, as the case may be; provided, however, that, to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case, the Class of which such Claim is a part makes a valid and timely election in accordance with section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent allowed.	Disclosure Statement: A-73
Securities Act	Securities Act of 1933.	Disclosure Statement: A-73
Severance Settlement Fund Litigation	Those claims and causes of action arising from and relating to the payment of the Employee Prepetition Stay Bonus Payments to certain of the Debtors' employees, which claims and causes of action were assigned to the Employee Committee pursuant to the Severance Settlement Order, including, without limitation, the claims and causes of action which are the subject of litigation styled (a) Theresa A. Allen et al. v. Official Employment-Related Issues Committee; Enron Corp.; Enron North America Corp.; Enron Net Works, L.L.C., Adversary Proceeding No. 03-02084-AJG, currently pending in the Bankruptcy Court, (b) Official Employment-Related Issues Committee of Enron Corp., et al. v. John D. Arnold, et al., Adversary Proceeding No. 03-3522, currently pending in the United States Bankruptcy Court for the Southern District of Texas, (c) Official Employment-Related Issues Committee of Enron Corp., et al. v. James B. Fallon, et al., Adversary Proceeding No. 03-3496, currently pending in the United States Bankruptcy Court for the Southern District of Texas, (d) Official Employment-Related Issues Committee of Enron Corp., et al. v. Jeffrey McMahon, Adversary Proceeding No. 03-3598, currently pending in the United States Bankruptcy Court for the Southern District of Texas, and (e) Official Employment-Related Issues Committee of Enron Corp. v. John J. Lavorato, et al., Adversary No. 03-3721, currently pending in the United States Bankruptcy Court for the Southern District of Texas.	Disclosure Statement: A-74
Special Litigation Trust	The Entity, if jointly determined by the Debtors and, provided that the Creditors' Committee has not been dissolved in accordance with the provisions of Section 33.1 of the Plan, Creditors' Committee, to be	Disclosure Statement: A-76

	created on or prior to December 31st of the calendar year in which the Effective Date occurs, unless such date is otherwise extended by the Debtors and the Creditors' Committee, in their joint and absolute discretion and by notice filed with the Bankruptcy Court, in accordance with the provisions of Article XXIII of the Plan and the Special Litigation Trust Agreement for the benefit of holders of Allowed Claims against Enron in accordance with the terms and provisions of Article XXIII of the Plan.	
Special Litigation Trust Claims	All claims and causes of action of the Debtors or Debtors in Possession, if any, that asserted, or which may be asserted, by or on behalf of the Debtors or the Debtors' estates (i) in the Montgomery County Litigation (solely with respect to claims and causes of action against insiders or former insiders of the Debtors), (ii) of the same nature against other of the Debtors' current or former insiders and such other Entities as may be described in the Plan Supplement and (iii) arising under or pursuant to sections 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code against the Entities referenced in subsections (i) and (ii) above; provided, however, that under no circumstances, shall such claims and causes of action include (a) Litigation Trust Claims to be prosecuted by the Litigation Trust, the Debtors or Reorganized Debtors, as the case may be, and (b) any claims and causes of action waived and released in accordance with the provisions of Sections 28.3 and 42.6 of the Plan, and, provided, further, that, in the event that the Debtors and the Creditors' Committee jointly determine not to form the Special Litigation Trust, the claims and causes of action referred to in clauses (i), (ii) and (iii) above shall be deemed to be Assets of Enron, notwithstanding the inclusion of Enron and other Debtors or their estates as a plaintiff in such litigation and with the execution and delivery of any additional documents or the entry of any order of the Bankruptcy Court or such other court of competent jurisdiction.	Disclosure Statement: A-77
Subordinated Claim	A Section 510 Enron Senior Notes Claim, a Section 510 Enron Subordinated Debenture Claim, a Section 510 Enron Preferred Equity Interest Claim, a Section 510 Enron Common Equity Interest Claim, a Penalty Claim, an Enron TOPRS Subordinated Guaranty Claim or an Other Subordinated Claim.	Disclosure Statement: A-78
Transwestern	Transwestern Holding Company, Inc.	Disclosure Statement: A-80
Treasury Regulations	Regulations promulgated by the U.S. Department of Treasury pursuant to the IRC.	Disclosure Statement: A-80
Unsecured Claim	Any Claim against the Debtors, other than an Administrative Expense Claim, a Secured Claim, a Priority Non-Tax Claim, a Priority Tax	Disclosure Statement: A-