MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
ENRON CORP.

SEPTEMBER 27, 1993

Minutes of a special meeting of the Board of Directors of Enron Corp. ("Company"), held pursuant to due notice at 4:00 p.m., C.D.T., on September 27, 1993, in the Boardroom of the Enron Building in Houston, Texas.

The following Directors, constituting a quorum, were present by telephone conference connection where each Director could hear the comments of the other meeting participants and join in the discussions:

Mr. Kenneth L. Lay, Chairman
Mr. Robert A. Belfer
Mr. John H. Duncan
Mr. Joe H. Foy
Dr. Wendy L. Gramm
Dr. Robert K. Jaedicke
Mr. Richard D. Kinder
Dr. Charles A. LeMaistre
Mr. John A. Urquhart
Mr. Herbert S. Winokur, Jr.

Directors William A. Anders, Norman P. Blake, Jr., and Charls E. Walker were absent from the meeting. Messrs. William V. Allison, James V. Derrick, Jr., Stanley C. Horton, Kurt S. Huneke, Edmund P. Segner, III, and Jack I. Tompkins, and Mesdames Nancy G. McNeil and Peggy B. Menchaca also attended the meeting.

The Chairman, Mr. Lay, presided at the meeting, and the Secretary, Ms. Menchaca, recorded the proceedings.

Mr. Lay called the meeting to order and stated that management had several items to present for Board consideration, but the primary reason for the meeting was to hear management's recommendations relating to the issuance of some form of perpetual preferred stock. He directed the attention of the Directors to the agenda and material supporting the items to be discussed, a copy of which is filed with the records of the meeting. He called upon Mr. Kinder to begin the presentation.

Mr. Kinder, for purposes of clarifying the record, noted that the reference to Series J Preferred Stock in the first item on the agenda for the meeting was in error. He then presented an overview of the perpetual preferred alternatives. He noted that the Company in continuing to grow and expand would continue to be a net user of cash. He stated that the rate of return on the Company's incremental investments had been excellent, but noted that, in order to maintain credit quality, a portion of the growth must be funded with equity. He indicated that reception in the market to perpetual preferred issues appeared to be high, and added that it appeared to be the least expensive alternative to bolster equity. He called upon Mr. Segner for a detailed discussion of the proposed issuance.

Mr. Segner stated that two options were presented in the supporting materials for the meeting: (i) a standard perpetual preferred stock issuance led by Merrill Lynch & Co.; and (ii) a tax-deductible perpetual preferred stock issuance led by Goldman Sachs & Co. He presented the details of both proposals and compared the economic impact of each to the Company. He stated that Arthur Andersen & Co. had indicated that the perpetual preferred stock issuance would not be considered debt in the accounting treatment, and meetings with four rating agencies produced the same indication. He also indicated that Sullivan and Cromwell had issued a letter confirming the tax deductibility of the option proposed by Goldman Sachs & Co., but noted that if future tax law changes negated the deduction, the Company would be in the same tax position as it is today with regard to the deduction of dividends. He responded to questions from the Board, and he was joined in the discussion by Messrs. Lay and Kinder. Mr. Segner stated that the approval sought would be for management flexibility to pursue either of the options presented, to include the issuance in the debt securities shelf registration filing approved by the Board at its August 10, 1993, meeting which filing had not been made as of the date of the meeting; and to appoint a special committee to determine the pricing and other terms of the issuance. Following a thorough discussion, upon motion duly made by Mr. Belfer, seconded by Mr. Winokur, and carried, the following resolutions were adopted:

> RESOLVED, that the Board of Directors hereby deems it advisable and in the best interests of the Company for the Company (or a special purpose company (the "SPC") to be incorporated in the Cayman Islands or the Turks and Caicos, to be 100% directly or indirectly owned by the Company) to issue and sell from time to time up to $250 million of fixed rate perpetual preferred stock (the "Preferred Stock"), at a price and with such terms and conditions to be agreed upon and established by the Preferred Stock Committee referred to below, and to be sold from time to time in public offerings;

RESOLVED, that the Company and/or the SPC enter into one or more underwriting agreements, or other agreements, however designated, together with all necessary agreement wires, confirmation letters, or terms agreements (collectively the "Agreements"), with such underwriting firm or firms or with such institutions or dealers as may, in the judgment of the Chairman of the Board, any Vice Chairman of the Board, the President, any Senior Vice President, or the Vice President and Treasurer of the Company, be necessary to effect the sale of the Preferred Stock; that the Chairman of the Board, any Vice Chairman of the Board, the President, any Executive or Senior Vice President, or the Vice President and Treasurer of the Company be, and each of them hereby is, authorized and directed to execute and deliver the Agreements, for and in the name and on behalf of the Company, in such forms as the officer executing such Agreements shall approve, such approval to be conclusively evidenced by such execution; and that the Company be, and it hereby is, authorized and directed to perform in full all of its obligations under the Agreements;

RESOLVED, in connection with the issuance and sale of the Preferred Stock by the Company or the SPC, that the officers of the Company be, and they hereby are, authorized, empowered, and directed to cause to be prepared, executed, and filed with the Securities and Exchange Commission (the "Commission") (i) a registration statement on Form S-3 or other appropriate form (as so filed, including any exhibits thereto, the "Registration Statement") and (ii) such amendments and post-effective amendments to the Registration Statement or supplements to the Prospectus constituting a part thereof, and to take all such further action, including the filing of final forms of the Prospectus, as may, in the judgment of such officers, be necessary, desirable, or appropriate to secure and thereafter to maintain the effectiveness of the Registration Statement;

RESOLVED, that the Registration Statement may, in the judgment of the officers of the Company, be an "omnibus" registration statement, which may include registration of the sale of the Preferred Stock (and registration of any required Company guarantee of certain SPC Preferred Stock payment obligations, or Company debt obligations to the SPC in connection with the Preferred Stock), or Depository Shares (defined below) representing fractional interests in the Preferred Stock, and registration of the sale

of debt securities previously authorized for issuance and sale by this Board of Directors on August 10, 1993;

RESOLVED, that the Board of Directors of the Company, in accordance with Section 141 of the General Corporation Law of the State of Delaware and Article IV of the Bylaws of the Company, as amended, does hereby create a special preferred stock committee (the "Preferred Stock Committee") and designate Kenneth L. Lay and Richard D. Kinder as the members of the Preferred Stock Committee, and that the Preferred Stock Committee is hereby authorized and empowered to determine, for and in the name and on behalf of the Company and the SPC, the following terms:

(i) the maximum number of shares to constitute the series of Preferred Stock and the distinctive designation thereof;

(ii) the annual dividend rate, if any, on shares of the series, whether such rate is fixed or variable or both, the date or dates from which dividends will begin to accrue or accumulate and whether dividends will be cumulative;

(iii) whether the shares of the series will be redeemable and, if so, the price at and the terms and conditions on which the shares of the series may be redeemed, including, without limitation, the time during which shares of the series may be redeemed and any accumulated dividends thereon that the holders of shares of the series shall be entitled to receive upon the redemption thereof;

(iv) the liquidation preference, if any, applicable to shares of the series;

(v) whether the shares of the series will be subject to operation of a retirement or sinking fund and, if so, the extent and manner in which any such fund shall be applied to the purchase or redemption of the shares of the series for retirement or for other corporate purposes, and the terms and provisions relating to the operation of such fund;

(vi) the voting rights, if any, on the shares of the series;

(vii) whether fractional interests in shares of the series will be offered in the form of Depository Shares; and

(viii) any other preferences, participating, optional, or other special rights or qualifications, limitations, or restrictions thereof,

and any other term of any Agreement and all such other matters as may be determined by such Preferred Stock Committee consistent with Delaware law, the SPC's Charter and by-laws, the Company's Restated Certificate of Incorporation, the terms of any outstanding series of preferred stock, and these resolutions, such Preferred Stock Committee's approval of such terms and conditions to be conclusively determined by their inclusion in the executed copies of any Agreements; and that the Preferred Stock Committee is hereby authorized to take any and all action and to do or cause to be done any or all things which may appear to the Preferred Stock Committee to be necessary or advisable in order for the Company, or to cause the SPC, to offer, issue, and sell the Preferred Stock, to the full extent and with the same effect as the Board of Directors of the Company could take such action or do or cause such things to be done; and that a majority of the members of the Preferred Stock Committee shall constitute a quorum for the transaction of business; and that the Preferred Stock Committee shall keep a written record of its meetings, shall present such record to the meetings of the Preferred Stock Committee, and shall file a copy of such record in the corporate minutes of the Company;

RESOLVED, that in the event Preferred Stock is issued by the SPC, it may be in the best interests of the Company, and the Company is hereby authorized, to guarantee, on such terms as the Preferred Stock Committee deems appropriate, the liquidation value of the Preferred Stock to be issued by the SPC, as well as dividends on the Preferred Stock, if and when declared;

RESOLVED, that the Company is hereby authorized to elect to offer fractional interests in shares of the Preferred Stock, rather than full shares, in the form of Depository Shares evidenced by Depository Receipts; that the Preferred Stock Committee is hereby authorized to determine the fractional interest of a share of Preferred Stock represented by each Depository Share, and any other terms of the Depository Shares;

RESOLVED, that the Company is hereby authorized to deposit the Preferred Stock represented by the Depository Shares

under a deposit agreement ("Deposit Agreement") to be entered into between the Company and a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least $50,000,000 (the "Depository"); that the Chairman of the Board, any Vice Chairman of the Board, the President or any Vice President of the Company be, and each of them hereby is, authorized and directed to execute, acknowledge, and deliver the Deposit Agreement, for and in the name and on behalf of the Company, in such form as the officer executing such Deposit Agreement shall approve, such approval to be conclusively evidenced by such execution;

RESOLVED, that the Chairman of the Board, the President, or any Vice President and the Corporate Secretary, any Deputy Corporate Secretary, or any Assistant Secretary of the Company be, and each of them hereby is, authorized, empowered, and directed, for and in the name and on behalf of the Company, to take any and all action which they may deem necessary or advisable in order for the Company or the SPC to obtain a permit, to register, or to qualify part or all of the Preferred Stock or Depository Shares for issuance and sale or to request an exemption from registration of part or all of the Preferred Stock or Depository Shares or to register or obtain a license for the Company or the SPC as a dealer or broker under the securities laws of such of the states of the United States of America and of such foreign jurisdictions as such officers may deem advisable, and in connection with such registrations, permits, licenses, qualifications, and exemptions, to execute, acknowledge, verify, deliver, file, and publish all such applications, reports, resolutions, irrevocable consents to service of process, powers of attorney, and other papers and instruments as may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain such registration in effect as long as they may deem it to be in the best interests of the Company;

RESOLVED, that the Company or the SPC make application to the New York Stock Exchange, Inc. and one or more other securities exchanges as the officer acting shall deem necessary or appropriate for the listing thereon of the Preferred Stock or Depository Shares; that the Chairman of the Board, the President, or any Vice President of the Company be, and each of them hereby is, authorized, empowered, and directed to execute and deliver, for and

in the name and on behalf of the Company, to the New York Stock Exchange, Inc. and all other securities exchanges on which the Preferred Stock or Depository Shares of the Company are to be listed, such agreements in such form as may be necessary to effect the aforesaid listing; and that the officers of the Company be, and they hereby are, authorized, empowered, and directed to execute and deliver any applications, documents, or agreements, to appear, if requested, before officials of any such exchanges, and to take any and all such actions, to appoint any banking institution as an agent of the Company or the SPC for any purpose, and to do or cause to be done any or all such things as may appear to them to be necessary or desirable in order to effect such listing, specifically including registration of the Preferred Stock or Depository Shares under Section 12 of the Securities Exchange Act of 1934, as amended;

RESOLVED, that the Preferred Stock Committee is hereby authorized to determine the form of stock certificate representing the Preferred Stock, and the form of certificate representing a Depository Share, with such changes thereto, consistent with these resolutions and any applicable resolutions of the Preferred Stock Committee, as the officers executing the same shall approve, such execution to be conclusive evidence of the approval of such officers and this Board of Directors or such Preferred Stock Committee;

RESOLVED, that the signature of the Chairman of the Board, any Vice Chairman of the Board, the President, or any Vice President of the Company or the SPC, as appropriate, the corporate seal of the Company, and the signature of the Corporate Secretary, any Deputy Corporate Secretary, or any Assistant Secretary of the Company or the SPC, as appropriate, on any or all of the certificates of Preferred Stock or Depository Shares may be facsimile, and that the Company hereby adopts and approves any such facsimile signatures and seal;

RESOLVED, that the facsimile signatures which appear upon any of the certificates of Preferred Stock or Depository Shares shall be valid regardless of whether such officer ceases to hold such office prior to the issuance of the Preferred Stock or Depository Shares; and

RESOLVED, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and

directed (any of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Mr. Kinder reviewed the Northern Border Master Limited Partnership ("MLP"), which had priced the previous week. He requested ratification and approval of the various transactions and agreements contemplated by the MLP. Upon motion duly made by Mr. Foy, seconded by Mr. Belfer, and carried, the following resolutions were adopted:

RESOLVED, that the transactions contemplated by (i) the registration statement of Northern Border Partners, L.P. (the "Partnership") filed with the Securities and Exchange Commission (the "Commission") on July 16, 1993 and Amendment Nos. 1 and 2 thereto filed with the Commission on August 25, 1993 and September 22, 1993, including, without limitation, the forms of preliminary prospectus contained therein (the "Registration Statement"), (ii) the form of Conveyance, Contribution and Assumption Agreement (the "Conveyance") among Northern Plains Natural Gas Company ("Northern Plains"), Pan Border Gas Company ("Pan Border"), Northwest Border Pipeline Company ("Northwest Border"), the Partnership, and Northern Border Intermediate Limited Partnership (the "ILP"), (iii) the form of Administrative Services Agreement among NBP Services Corporation, the Partnership, and the ILP, (iv) the form of Credit Agreement among the ILP, as Borrower, and Northern Plains, Pan Border, and Northwest Border, as Lenders, and (v) the form of Amended and Restated Partnership Agreement of the Partnership and the form of Amended and Restated Partnership Agreement of the ILP, be, and the same hereby are, authorized and approved; and (x) the transfer by Northern Plains of substantially all of its assets to the ILP pursuant to the Conveyance and (y) the sale by Northern Plains pursuant to the Registration Statement of up to 9,890,000 Common Units representing limited partner interests in the Partnership be, and the same hereby are, authorized and approved;

RESOLVED, that the execution on behalf of the Company of the Underwriting Agreement dated September 23, 1993, among the Company, the Partnership, the ILP, Northern Plains, Pan Border, Panhandle Eastern Corporation, and the Representatives of the Underwriters, relating to the sale of Common Units by Northern Plains and Pan Border pursuant to the Registration Statement, be, and it hereby is, ratified and approved; and that the Company be, and it hereby is, authorized and directed to perform in full all of its obligations under the Underwriting Agreement;

RESOLVED, that, on or prior to the closing of the offering pursuant to the Registration Statement, the Company is hereby authorized to make a capital contribution to Northern Plains in the form of a demand note in the amount contemplated by the Registration Statement; and the Chairman of the Board, the President or any Vice President of the Company be, and each hereby is, authorized to execute and deliver a demand promissory note in such form and in such amount as the officer executing the same shall approve, such approval to be conclusively evidenced by such execution; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Mr. Horton stated that Florida Gas Transmission Company ("FGT") had received the order from the Federal Energy Regulatory Commission approving its Phase III Expansion project. He indicated that during the preceding week, the boards of both Sonat, Inc., owner of one-half interest in Citrus Corp., the parent of FGT, and Citrus Corp. (at a meeting held earlier in the day) had each approved the project. He called upon Mr. Allison to present the details of the order and the project.

Mr. Allison discussed the economics of the project in each of the next five years and probable financing for the project. He indicated that the project would begin in February, 1994 and would add 860 miles of pipe and 1.45 billion cubic

feet of gas to the Florida market. He estimated completion of construction in 11 months at a cost of approximately $760 million. He noted that the project would require an agreement by the Company, as owner of one-half interest in Citrus Corp. and FGT, to make a capital contribution of between $130-$150 million. He answered questions from the Board, and a full discussion ensued. Following the discussion, upon motion duly made by Mr. Foy, seconded by Mr. Winokur, and carried, the following resolutions were approved:

RESOLVED, that the Company's jointly-owned indirect subsidiary, Florida Gas Transmission Company ("FGT"), its parent, Citrus Corp., or any affiliate thereof, be, and hereby are, authorized to accept the Certificate of Public Convenience and Necessity issued by the Federal Energy Regulatory Commission on September 15, 1993, and to proceed with the pipeline expansion project known as the "Phase III Expansion;"

RESOLVED FURTHER, that it being in the best interest of the joint owners, Sonat, Inc. and the Company, to each make a contribution of capital and to provide guarantees of indebtedness of Citrus Corp. and FGT to assist in the funding of the Phase III Expansion, the Company's equity contribution of up to seventeen and one-half percent (17.5%) of such capital requirements (approximately $130 to $150 million), is hereby approved;

RESOLVED FURTHER, that all actions heretofore taken by any officer of the Company, FGT, or Citrus Corp. related to or in connection with the transactions contemplated by the Phase III Expansion project, including, without limitation, the execution and delivery of any instruments or other documents as any such officer shall have deemed necessary, proper, or advisable, are hereby adopted, ratified, confirmed, and approved in all respects; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Mr. Huneke presented the financial matters. He discussed the seasonal increase in the trade receivable purchase and sale agreement with Corporate Asset Funding Company, Inc., CIESCO L.P. and Asset Securitization Cooperative Corporation, and reviewed the terms of the agreement. Upon motion duly made by Mr. Duncan, seconded by Dr. Gramm, and carried, the following resolutions were adopted:

RESOLVED, that the Chairman of the Board, the Vice Chairman of the Board, the President, or any Vice President of the Company is hereby authorized (any one of them acting alone) to negotiate, execute, and deliver, for and in the name and on behalf of the Company, Amendments (the "Amendments") to the following Agreements, as appropriate:

(a) The Trade Receivables Purchase and Sale Agreement dated as of March 9, 1990, as amended, among the Company, Corporate Asset Funding Company, Inc., CIESCO L.P., Asset Securitization Cooperative Corporation, Citibank, N.A., Canadian Imperial Bank of Commerce, and Citicorp North America Inc. ("CNA"), individually and as Agent (the "Investor Agreement"), and

(b) the Trade Receivables Purchase and Sale Agreement dated as of March 9, 1990, as amended, among the Company, the Banks named therein, and CNA, individually and as Agent (such agreement together with the Investor Agreement being the "Agreements");

said Amendments providing for, among other things, the following:

(1) an increase in the Purchase Limit under and as defined in the Investor Agreement from $500,000,000 to $800,000,000, from September 30, 1993, through April 15, 1994;

(2) the payment of certain additional fees in connection with such Purchase Limit increase;

(3) the addition to Schedule I to each of the Agreements of any or all of Louisiana Gas Marketing Company, Enron Access Corporation, Transwestern Pipeline Company, and Enron Clean Fuels Company (a division of Enron Gas Liquids, Inc.), as new "Selling Subsidiaries" under the Agreements, and the

addition of the "Receivables" owed from time to time to each such new Selling Subsidiary by "Designated Obligors" (in each case as defined in the Agreements) to the "Receivables Pool" under the Agreements; and

(4) purchase agreements ("Receivables Purchase Agreements") whereby the Company shall purchase from such new Selling Subsidiaries from time to time "Receivables" (as defined in the Agreements) existing on the date of such Receivables Purchase Agreements and thereafter arising from time to time, for amounts equal to the fair market value of such Receivables computed by subtracting from the face amounts of such Receivables a discount that reflects (among other things) the cost to the Company of owning such Receivables (including, without limitation, the Company's cost of funding its purchase of such Receivables) and the estimated costs (taking into account collection risks) of collections of such Receivables;

but with such changes, amendments, and modifications and in such form as the officer executing such Amendments shall approve, such approval to be conclusively evidenced by his or her execution of such Amendments;

RESOLVED FURTHER, that the Company is authorized and directed to observe and perform in full all of the obligations, conditions, covenants, and other terms set forth in or contemplated by the Amendments and the Agreements as amended thereby;

RESOLVED FURTHER, that the Company is authorized and directed to observe and perform in full all of the obligations, conditions, covenants, and other terms set forth in or contemplated by the Receivables Purchase Agreements;

RESOLVED FURTHER, that all actions heretofore taken by any officer of the Company, related to or in connection with the transactions contemplated by these resolutions, including without limitation the execution and delivery of any instruments or other documents as any such officer shall have deemed necessary, proper, or advisable, are hereby adopted, ratified, confirmed, and approved in all respects; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel are hereby authorized, empowered and directed (any one of them acting alone) to take all such further action, to execute and deliver all such further agreements, certificates, instruments, and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise as such officer of the Company may deem (as evidenced by such execution and delivery) necessary, appropriate, or advisable in order to effectuate or carry out the purposes and intentions of this and the foregoing resolutions and to observe and perform the obligations, conditions, covenants, and other terms set forth in or contemplated by the Amendments and the Agreements as amended thereby and the Receivables Purchase Agreements.

Mr. Huneke reviewed a proposed receivable sales agreement with Citibank, N.A. or Citicorp North America, Inc. from Enron Power Philippines Corp., a wholly-owned indirect subsidiary of the Company, in connection with the Batangas power project of Batangas Power Corp., a joint venture company owned 50% by Enron Power Philippines Corp. and 50% by New Saga Power Corp. Upon motion duly made by Mr. Duncan, seconded by Dr. Gramm, and carried, the following resolutions were approved:

WHEREAS, Enron Power Philippines Corp., a corporation organized and existing under the laws of the Republic of the Philippines ("EPPC"), is entering into a purchase and repurchase agreement (the "Agreement") with Citibank, N.A. or any of its affiliates ("Citibank"), whereby EPPC will sell to Citibank receivables (the "Receivables") arising from advances made from EPPC to Batangas Power Corp. in the aggregate amount of up to $103,064,727 bearing interest at a rate of 9% per annum;

WHEREAS, EPPC is a wholly-owned subsidiary of the Company;

WHEREAS, it is a condition precedent to the sale of the Receivables to Citibank that the Company provide to Citibank a guaranty (the "Guaranty") of EPPC's obligations under the Agreement, which obligations include, but are not limited to, the obligation by EPPC to repurchase from Citibank the Receivables on or before December 15, 1993;

WHEREAS, the undertaking of the obligations set forth in the immediately preceding paragraphs by the Company will benefit, directly or indirectly, the Company;

NOW, THEREFORE, BE IT RESOLVED, that the Company be, and it hereby is, authorized to provide the Guaranty;

RESOLVED FURTHER, that the Chairman of the Board, the Vice Chairman of the Board, the President, any Vice President, the Treasurer, or any Assistant Treasurer of the Company be, and each of them hereby (acting alone) is, authorized in the name and on behalf of the Company, under its corporate seal or otherwise, to negotiate, execute, deliver, amend, perform, and consummate the Guaranty and such other agreements, instruments, or documents as such officer may deem necessary or desirable to carry out the purpose and intent of the foregoing resolutions, in such forms as shall be approved by the officer executing the same, such approval to be conclusively evidenced by the execution thereof by such officer;

RESOLVED FURTHER, that each such officer be, and each such officer hereby is, authorized in the name and on behalf of the Company to take or cause to be taken such action as such officer may deem necessary or desirable in connection with the performance by the Company of its obligations under any agreement, document, or instrument related to these transactions to which the Company is a party;

RESOLVED FURTHER, that all actions heretofore taken by any officer of the Company, related to or in connection with the transactions contemplated by these resolutions, including without limitation the execution and delivery of any instruments or other documents as any such officer shall have deemed necessary, proper, or advisable, are hereby adopted, ratified, confirmed, and approved in all respects; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary,

proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Mr. Huneke discussed a corporate guaranty of the obligations of its indirect subsidiary, Enron Gas Marketing, Inc., under a Master Firm Purchase/Sale Agreement with Equitrans, Inc. Upon motion duly made by Mr. Duncan, seconded by Dr. Gramm, and carried, the following resolutions were approved:

WHEREAS, Enron Gas Marketing, Inc., a Delaware corporation ("EGM"), is entering into a Master Firm Purchase/Sale Agreement (the "Agreement") with Equitrans, Inc., a Delaware corporation ("Equitrans");

WHEREAS, EGM is a wholly-owned subsidiary of the Company;

WHEREAS, it is a condition precedent to the effectiveness of the Agreement that the Company provide to Equitrans a guaranty (the "Guaranty") of the performance of EGM's obligations under the Agreement; and

WHEREAS, the undertaking of the obligations set forth in the immediately preceding paragraphs by the Company will benefit, directly or indirectly, the Company;

NOW, THEREFORE, BE IT RESOLVED, that the Company be, and it hereby is, authorized to provide the Guaranty;

RESOLVED FURTHER, that the Chairman of the Board, the Vice Chairman of the Board, the President, any Vice President, the Treasurer, or any Assistant Treasurer of the Company be, and each of them hereby is, authorized in the name and on behalf of the Company, under its corporate seal or otherwise, to negotiate, execute, deliver, amend, perform, and consummate such agreements, instruments, or documents as such officer may deem necessary or desirable to carry out the purpose and intent of the foregoing resolutions, in such forms as shall be approved by the officer executing the same, such approval to be conclusively evidenced by the execution thereof by such officer;

RESOLVED FURTHER, that each such officer be, and each such officer hereby is, authorized in the name and on behalf of the

Company to take or cause to be taken such action as such officer may deem necessary or desirable in connection with the performance by the Company of its obligations under any agreement, document, or instrument related to these transactions to which the Company is a party;

RESOLVED FURTHER, that all actions heretofore taken by any officer of the Company, related to or in connection with the transactions contemplated by these resolutions, including without limitation the execution and delivery of any instruments or other documents as any such officer shall have deemed necessary, proper, or advisable, are hereby adopted, ratified, confirmed, and approved in all respects; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Mr. Lay informed the Board that in connection with the Government's change in corporate tax rates, under generally accepted accounting principles, the Company would be required to record the change in tax rates as an increased or deferred tax expense in the third quarter. He estimated that the economic impact to the Company would be $50 million in the third quarter.

There being no further business to come before the Board, the meeting was adjourned at 4:35 p.m., C.D.T.

Secretary

APPROVED:

Chairman