

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation**

- ACES:** automatic common exchange securities, a financial instrument marketed by Goldman Sachs & Co.
- ACTS:** adjustable-rate trust securities
- Administrative Committee:** refers collectively to the Administrative Committees established under the Enron Corp. Retirement Plan/Cash Balance Plan, the Enron Corp. ESOP, and the Enron Corp. Savings Plan
- AEP:** American Electric Power
- Akin Gump:** Akin Gump Strauss Hauer & Feld, L.L.P., a Dallas/Washington, DC based international law firm
- Annual Incentive Plan:** Enron Corp. Annual Incentive Plan
- Apache:** financing arrangement in which Enron borrowed funds from third-party foreign lenders, through an Enron controlled foreign corporation
- APB:** Accounting Principles Board
- Arthur Andersen:** Arthur Andersen LLP, a U.S. based international accounting firm and Enron's auditor
- Avici:** Avici Systems Inc.
- Azurix:** Azurix Corp., an Enron affiliate involved in Enron's water business after Enron's 1998 acquisition of Wessex Water Plc
- Bammel Assets:** underground natural gas storage reservoir and various assets that were the subject of Condor
- Bankers Trust:** Bankers Trust Company, a New York banking corporation, acquired by Deutsche Bank in 1999
- Bankruptcy Court:** in the case of Enron's voluntary bankruptcy petition, the United States Bankruptcy Court, Southern District of New York
- Barclays or Barclays Bank:** Barclays Bank PLC, an international banking firm
- Big River:** Big River Funding LLC
- Blue Heron:** Blue Heron I, LLC
- Board or Board of Directors:** Board of Directors of Enron Corp.

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

- Bobcat:** Bobcat I, LLC, a special purpose entity utilized in Raptor IV
- BT Ever:** BT Ever, Inc., affiliate of Bankers Trust
- BT Green:** BT Green, Inc., affiliate of Bankers Trust
- CalPERS:** California Public Employees Retirement System
- Campsie:** Campsie Limited
- Cayman LLC:** a Cayman Islands limited life company
- Cayman Parent:** a Cayman Islands holding company
- Cayman Sub:** a Cayman Islands subsidiary company
- Cayman Triangle:** tax planning structure involving the use of three Cayman Islands entities
- CCA:** chief counsel advice issued by the IRS
- CFC:** controlled foreign corporation governed by sections 951 through 964 of the Code
- Chairman or Chairman of the Board:** the Chairman of Enron's Board of Directors
- Chase Manhattan Bank:** bank that merged with JP Morgan & Co., Inc. to become JP Morgan Chase & Co.
- Check the box regulations:** Treasury Department regulations pursuant to which certain legal entities are eligible to elect to be treated as a corporation, partnership, or disregarded entity for Federal tax purposes
- Chewco:** an off-balance sheet transaction utilizing Chewco Investments, LP, a Delaware limited partnership and JEDI I
- Chiricahuas:** RMT Chiricahuas I through XIV, Enron LLCs taxed as partnerships used in the NOLy transaction
- CIP:** coordinated industry case program utilized by the IRS to coordinate the examination of large and highly diversified taxpayers
- Citibank:** an international provider of banking, lending, and investment services
- Citigroup:** U.S.-based financial services company resulting from the 1998 merger of Citicorp, the bank holding company of Citibank, NA, and Traveler's Salomon-Smith Barney

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

- Cochise:** Enron structured transaction involving tax-free transfers by the parties of REMIC regular interests to an existing wholly-owned Enron subsidiary that subsequently elected to be taxed as a REIT
- Code:** Internal Revenue Code of 1986, as amended
- COLI:** corporate owned life insurance
- Commissioner:** Commissioner of the IRS
- Commodity prepay transaction:** transactions in which Enron received upfront payments in exchange for the future delivery of a specified commodity such as crude oil or natural gas
- Common Units:** common ownership units of Dutch VOF
- Compensation Committee:** refers to the Compensation Committee of the Board of Directors of Enron. At some points in time, the Compensation Committee was also named the Compensation and Management Committee, and the Compensation and Management Development Committee.
- Condor:** Enron structured transaction structured to generate Federal income tax deductions involving the use of an existing partnership, Whitewing Associates, LP, between Enron and an outside investor that held Enron preferred stock
- Credit Suisse First Boston:** global investment banking firm that participated in LJM1 structure
- CWL:** Columbia Willamette Leasing, Inc.
- Dabhol:** power plant project in India
- DASH:** Enron's internal transaction deal approval sheet
- DECS:** debt exchangeable for common stock, a financial instrument first issued by American Express Company; also marketed by Salomon, Inc.
- Deferral Plan Committee:** the committee established under the 1994 Deferral Plan
- D&T or Deloitte & Touche:** Deloitte & Touche LLP, a U.S. based international accounting firm
- Delta Energy Corporation:** special purpose entity associated with commodity prepay transactions between Enron and Citigroup

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

Derivative: generally defined as a contract or security the value of which is derived from the price of an asset (or pool of assets) without necessarily representing ownership of the asset itself

Deutsche Bank: German corporation engaged in international banking and services businesses, and acquirer of Bankers Trust in 1999

Deutsche Morgan Grenfell: global investment bank

Disregarded entity: legal entity that is disregarded as a separate entity for Federal tax purposes, and instead is treated as a branch or division of its owner

DOL: Department of Labor

Dutch VOF: Cherokee Finance VOF

Dynegy: Dynegy, Inc., a global provider of energy and communications services that was involved in merger discussions with Enron in 2001

EBITDA: earnings before income, taxes, and depreciation and amortization

ECT: Enron Capital & Trade Resources Corp.

ECT Equity: ECT Equity Corporation

ECT Partners: ECT Investing Partners, LP

ECT Strategic: Enron Capital Trade Strategic Value Corp.

EDC: Enron Development Corporation

EDIC: Enron Diversified Investments Corporation

EDRIP: Enron Deferral Repatriation Incentive Plan

EGTRRA: The Economic Growth and Tax Relief Reconciliation Act of 2001

EI: Enron International

EIN: the Enron Intelligent Network, an all-Internet Protocol backbone

ENA: Enron North America Corp.

ENA Master Swap: periodic confirmations executed in association with an ISDA Master Agreement between ENA and RMT

EN-BT Delaware: EN-BT Delaware, Inc., a subsidiary of Bankers Trust

Enron: unless otherwise indicated, Enron Corp. and its affiliates

Enron Asset Holding: Enron Asset Holding, LLC

Enron Capital Trade: Enron Capital Trade & Resources Corp.

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

- Enron Cash Balance Plan:** the Enron Corp. Cash Balance Plan
- Enron Corp.:** unless otherwise indicated, the parent company Enron Corp.
- Enron Corp. Proxy Statement:** refers to the proxy statement prepared for the annual meeting of Enron stockholders
- Enron ERISA Counsel:** Frank D. (“Pat”) Mackin, Jr., formerly in-house counsel on Enron qualified plans, later on retainer to provide advice relating to ERISA
- Enron ESOP:** the Enron Corp. Employee Stock Ownership Plan
- Enron Finance:** (1) Enron Finance Partners, LLC, with respect to Tammy I; (2) Enron Finance Holding Corporation, with respect to Renegade
- Enron Intermediate:** Enron Northwest Intermediate LLC
- Enron Leasing:** Enron Leasing Partners, LP
- Enron Liquids:** Enron Liquids Holding Corp.
- Enron LP:** ECT Investments Holding Corp.
- Enron North:** Enron office building in Houston, Texas
- Enron Northwest:** Enron Northwest Finance, LLC
- Enron Online:** Enron’s global Internet-based transaction system for wholesale energy and other commodities
- Enron Pipeline:** Enron Pipeline Company
- Enron Property:** Enron Property & Services Corp.
- Enron qualified plans:** refers collectively to the Enron Corp. Retirement Plan/Cash Balance Plan, the Enron Corp. ESOP, and the Enron Corp. Savings Plan
- Enron Retirement Plan:** the Enron Corp. Retirement Plan, which was amended and renamed the Enron Corp. Cash Balance Plan
- Enron Savings Plan:** the Enron Corp. Savings Plan
- Enron South or Enron South Building:** recently built Enron office building in Houston, Texas
- Enron Subsidiaries:** a group of wholly owned subsidiaries of Enron
- Enron 2000:** financial strategy implemented by Enron in 1996 with the objectives of (1) \$1 billion of net income by the year 2000; (2) 15 percent average compound annual growth; and (3) double-digit growth in each individual fiscal year

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

- EOG:** Enron Oil & Gas Company
- EOTT:** Enron Oil Trading & Transportation Company
- EOTT Units:** common units of EOTT Energy Partners, LP
- EREC:** Enron Renewable Energy Corp.
- ERISA:** Employee Retirement Income Security Act of 1974, as amended
- ERNB:** ERNB Partnership, Limited
- Ernst & Young:** Ernst & Young LLP, a U.S.-based international accounting firm
- Euro:** monetary unit of many members of the European Union
- Executive Committee:** the Executive Committee of Enron's Board of Directors
- Expat Deferral Plan:** the 1998 Enron Expat Services, Inc. Deferral Plan
- FAS:** Financial Accounting Standards
- FASB:** Financial Accounting Standards Board
- FASIT:** financial asset securitization investment trust governed by sections 860H through 860L of the Code
- FERC:** Federal Energy Regulatory Commission
- Finance Committee:** Finance Committee of Enron's Board of Directors
- FPRM:** fixed price and risk management contracts
- FSA:** field service advice issued by the IRS
- FS 360:** FS 360 Corp.
- Form 8-K:** current report to be filed with the SEC to report the occurrence of any material events or corporate changes that are of importance to investors or security holders and previously have not been reported by the company in the case of certain events
- Form 10-Q:** quarterly report to be filed with the SEC for each of the first three quarters of the company's fiscal year
- Form 10-K:** annual report to be filed with the SEC
- Form 11-K:** annual report to be filed with the SEC by employee stock purchase, savings, and similar plans, interests in which constitute securities registered under the Securities Act of 1933
- Form 1120:** IRS form, U.S. Corporation Income Tax Return

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

Form 5310: IRS form, Application for Determination for Terminating Plan

Form 5500: IRS form, Annual Return/Report of Employee Benefit Plan

FUTA: Federal Unemployment Tax Act

GAAP: generally accepted accounting principles

GM: General Motors Corporation

Goldman, Sachs & Co.: U.S.-based global investment banking firm

Granite: project describing the expected transfer of life insurance contracts from PGE

Grizzly: Grizzly I, LLC, a wholly owned SPE of Enron formed to participate in Raptor II

Harrier: Harrier I, LLC, a wholly owned SPE of Enron formed to participate in Raptor I

Hewitt: Hewitt Associates, starting in 2001, the recordkeeper for the Enron Savings Plan;
also a consultant relating to general compensation matters

HNG: Houston Natural Gas Corporation

HNG Plan: (1) Houston Natural Gas Corporation Retirement Plan; (2) Houston Natural Gas Corporation Savings Plan

Houston Natural Gas Corporation: publicly traded natural gas pipeline company
acquired by InterNorth, Inc. in 1985 to form Enron

HPL: Houston Pipeline Company

HPL Asset Holdings: HPL Asset Holdings LP

Interim Notes: senior debt obligations of Sequoia Financial Assets, LLC

InterNorth or InterNorth, Inc.: name of Enron Corp. corporate entity prior to name
change to Enron Corp. in 1986

Investors BV: Choctaw Investors BV

ISDA: International Swap Dealers Association

ISDA Master Agreement: standard form agreement copyrighted by the ISDA that sets
forth the terms and conditions governing any specific swaps made pursuant to the
agreement among the parties to it

JEDI or JEDI I: Joint Energy Development Investments Limited Partnership

JEDI II: Joint Energy Development Investment Limited Partnership II

Joint Committee: Joint Committee on Taxation

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

Joint Committee staff: staff of the Joint Committee on Taxation

JP Morgan or JP Morgan Chase: J.P. Morgan Chase & Co., successor to Chase
Manhattan Bank

King & Spalding: King & Spaulding LLP, an Atlanta/Washington, DC based law firm

Kingfisher: Kingfisher I LLC

LIBOR: London Interbank Offered Rate

Little River: Little River Funding LLC

LJM1: LJM Cayman, LP, a Cayman Islands limited partnership structured to engage in
an off-balance sheet hedging transaction involving Rhythms Net stock

LJM2: LJM2 Co-Investment, LP, a Delaware limited partnership structured to engage in
off-balance sheet hedging and miscellaneous transactions

LLC: limited liability company

LP: limited partnership

Mahonia Ltd: special purpose entity associated with certain commodity prepay
transactions between JP Morgan and Enron

Maliseet: Maliseet Properties, Inc.

Mangas: Mangas I Corp.

McKee Nelson Ernst & Young: a Washington, DC based law firm

Merrill Lynch: Merrill Lynch & Co.

MIPS: monthly income preferred securities, a financial instrument marketed by
Goldman Sachs & Co.

M-1 adjustment: an adjustment included in a taxpayer's reconciliation of its financial
statement income with its taxable income

Monthly Operating Statements: statements of operations filed monthly by Enron with
the Bankruptcy Court and the SEC during Enron's bankruptcy proceeding

National Office or IRS National Office: National Office of the Internal Revenue
Service

National Westminster Bank: bank that participated in LJM1 structure

NOL: net operating loss

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

NOLy: Enron structured transaction designed to generate taxable income in order to use Enron's net operating loss carryovers of approximately \$3 billion in its 2000 taxable year

Northern Natural Gas Company: (1) corporation formed in 1930 that later was renamed InterNorth, Inc. and ultimately became Enron Corp. in 1985; (2) later, an Enron subsidiary that was acquired by Dynegy after merger negotiations between Enron and Dynegy terminated in 2001

Northern Trust: Northern Trust Retirement Consulting, the former recordkeeper under the Enron Savings Plan

Notional principal amount: amount not actually exchanged by the parties to a notional principal contract

Notional principal contract: generally describes an agreement between two parties to exchange payments that are calculated by reference to a notional principal amount

NPW: New Power Holdings, Inc.

Off-balance sheet: not included in reporting company's balance sheet

OFL: overall foreign loss

OID: original issue discount

Ojibway: Ojibway, Inc.

Oneida: Oneida Leasing, Inc.

OPI or Organizational Partner: Organizational Partner, Inc.

PBGC: Pension Benefit Guaranty Corporation

PEP: Performance evaluation process

PFIC: a passive foreign investment company governed by sections 1291 through 1298 of the Code

PGC: Portland General Corporation, the parent holding company of PGE

PGE: Portland General Electric

PGH: Portland General Holdings

Porcupine: Porcupine I, LLC, a special purpose entity utilized in Raptor III

Potomac Capital: Potomac Capital Investment Corp., a subsidiary of Potomac Electric Power Co.

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

- Powers Report:** report of investigation by the Special Investigative Committee of the Enron Board of Directors, chaired by William C. Powers, dated February 1, 2002
- Preferred Units:** preferred units of Dutch VOF
- Prepays:** contracts that provided Enron large advance payments to deliver natural gas or other energy products
- Project 50:** stock option program under which employees were given a one-time grant of 50 stock options on January 18, 2000, in recognition of Enron's stock price reaching \$50 after the 1999 stock split
- Project Participation Plan:** executive compensation program for employees in Enron's international business unit
- Pronghorn:** Pronghorn I, LLC, an SPE wholly owned by Enron and used in Raptor III
- PSI:** Permanent Subcommittee on Investigations on Governmental Affairs, United States Senate
- PUHCA:** Public Utility Holding Company Act
- PwC:** PricewaterhouseCoopers, a U.S.-based international accounting firm
- Rabo:** Rabo Merchant Bank NV
- Rabobank:** Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.
- Rail Leasing:** Rail Leasing, Inc.
- Raptors:** a series of four off-balance sheet hedging structures involving LJM2 that began in mid-2000 and terminated in 2001
- REIT:** real estate investment trust governed by sections 856 through 859 of the Code
- REMIC:** real estate mortgage investment conduit governed by sections 860A through 860G of the Code
- Renegade:** project in which Enron received a fee to serve as an accommodation party to enable Bankers Trust Corporation to achieve favorable tax benefits
- Rheingold:** Rheingold GmbH
- Rhythms Net:** Rhythms NetConnections, Inc., an Internet service provider for businesses using digital subscriber line technology, and a portfolio investment of Enron that became a hedged position in the LJM1 structure
- RMT:** Risk Management and Trading Corp.

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

RMT Swaps: associated confirmations relating to ISDA Master Agreement between RMT and the Chiricahuas

Roadrunner: Roadrunner I, LLC, a wholly owned SPE of Enron formed to participate in Raptor IV

Salomon, Inc.: now Salomon Smith Barney, Inc.

SARL: Cheyenne Finance SARL

SAS: Statement on Auditing Standards

Schedule M-1: IRS schedule, Reconciliation of Income (Loss) per Books with Income per Return

SEC: Securities and Exchange Commission

Section 16 officers: officers subject to the provisions of section 16 of the Securities Exchange Act of 1934

Seminole: Seminole Capital, LLC

Senate Finance Committee: Senate Committee on Finance

Seneca: Seneca Leasing, Partners, LP

Series 1: nonvoting class of RMT preferred stock

Series 2: voting class of RMT preferred stock

SFAS: Statement of Financial Accounting Standards

Shearman & Sterling: international law firm with U.S. offices in New York and Washington, DC

Sierra: Sierra Pacific Resources

Skadden Arps: Skadden, Arps, Slate, Meagher & Flom LLP, counsel to Enron in connection with Congressional investigations and other matters

Smith Street: Smith Street Land Company

SPE: special purpose entity, typically an entity created for a limited purpose, with a limited life and limited activities

SRLY: separate return limitation year

Statement: Statement of Financial Affairs filed by Enron Corp. with the Bankruptcy Court

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

- Steele:** Enron structured transaction involving a transfer of cash and leased assets to a newly formed corporation in exchange for common and preferred stock
- Straddle:** offsetting positions with respect to actively traded personal property
- Structured financing or structured financing transaction:** for purposes of this Report, a transaction structured by Enron to acquire capital in the debt or equity markets; compare with structured transaction
- Structured transaction:** for purposes of this Report, a transaction structured by Enron to obtain tax benefits, accounting benefits, or a combination of the two; compare with structured financing
- Summer:** Enron project that attempted to sell a substantial portion of Enron's European businesses
- Swap:** in general, an arrangement between parties to exchange cash flows over a specified period of time based upon a notional principal amount
- Swap Sub:** LJM1 Swap Sub, LP
- Talon:** Talon I, LLC, a special purpose entity utilized in Raptor I
- TAM:** technical advice memorandum issued by the IRS
- Tammy I:** Enron structured transaction designed to generate financial statement benefits from an increase in the tax basis in the Enron South building, involving Enron's contribution of assets to a partnership that was wholly owned by Enron affiliates
- Tammy II:** Enron structured transaction designed to generate financial statement benefits from an increase in the tax basis in certain depreciable assets, involving Enron's contribution of assets to a partnership that was wholly owned by Enron affiliates
- Tanya:** Enron structured transaction designed to accelerate and duplicate certain deductions within the Enron consolidated group, involving a tax-free transfer of assets and unrelated contingent liabilities by Enron to an Enron subsidiary in exchange for stock in the subsidiary
- Teesside:** Enron's combined cycle gas turbine power plant in the United Kingdom
- Teresa:** Enron structured transaction involving a synthetic lease arrangement designed to result in an increase in tax basis in depreciable assets, including the Enron North

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

building, by Enron contributing depreciable assets and preferred stock to a partnership

Timberwolf: Timberwolf I, LLC, a special purpose entity utilized in Raptor II

TNPC: The New Power Company

TOLI: trust owned life insurance

Tomas: Enron structured transaction designed to increase the tax basis of a portfolio of leased assets Enron wished to dispose of, involving the formation of a partnership between an existing Enron subsidiary and two subsidiaries of Bankers Trust

TOPrS: trust originated preferred securities, a financial product marketed by Merrill Lynch

Tularosa: Delaware LLC used in Project NOLy

Tularosa Swap: total return swap between RMT and Tularosa

U.S. or United States: United States of America

Valhalla: (1) Valhalla GmbH; (2) project in which Enron received a fee to serve as an accommodation party to enable Deutsche Bank to receive certain income tax benefits under foreign law

Valkyrie: Enron Valkyrie

Valor: Enron structured transaction structured to accelerate and duplicate certain deductions within the Enron consolidated group, involving a tax-free transfer of assets and unrelated contingent liabilities by Enron to an Enron subsidiary in exchange for stock in the subsidiary

Vinson & Elkins or V&E: Vinson & Elkins LLP, a Houston based law firm and Enron's primary legal counsel

Weil Gotshal: Weil, Gotshal & Manges LLP

Wessex: Wessex Water Plc, a United Kingdom water company acquired by Enron in 1998

Whitewing or Whitewing LP: Whitewing Associates, LP

Wiltshire: Wiltshire Financial Assets, LLC

Yosemite: series of four trust structures involving the issuance by Enron of credit linked notes for commodity prepay transactions

**Glossary of Terms Relevant to the
Joint Committee on Taxation Staff Investigation, continued**

Zephyrus: Zephyrus LLC

1993 MIPS: MIPS issued in November 1993 by Enron Capital LLC

1993 Prospectus: prospectus relating to 1993 MIPS

1994 Deferral Plan: the Enron Corp. 1994 Deferral Plan

1994 MIPS: MIPS issued in 1994

1995 Prospectus: prospectus relating to 1995 issuance of certain Enron exchangeable
notes

1999 Prospectus: prospectus relating to 1999 issuance of certain Enron exchangeable
notes

401(k) plan: a profit sharing or stock bonus plan (or pre-ERISA money purchase
pension plan) that contains a qualified cash or deferred arrangement