

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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:
In re : **Chapter 11**
:
ENRON CORP., et al., : **Case No. 01-16034 (AJG)**
:
: **Jointly Administered**
:
Debtors. :
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**SECOND AMENDED CASE MANAGEMENT ORDER ESTABLISHING,
AMONG OTHER THINGS, NOTICING ELECTRONIC PROCEDURES,
HEARING DATES, INDEPENDENT WEBSITE AND
ALTERNATIVE METHODS OF PARTICIPATION AT HEARINGS**

Upon the motion, dated December 7, 2001 (the “Motion”), of Enron Corp. and its affiliated debtor entities, as debtors and debtors in possession (collectively, the “Debtors”), for an order establishing noticing Electronic Procedures in the Debtors’ chapter 11 cases; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and venue of the Debtors’ chapter 11 cases being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion and the relief requested therein having been served; and the Court being cognizant of (i) the size and complexities of these chapter 11 cases, including, without limitation, the number of creditors, equity interest holders and parties in interest with respect thereto and the difficulties associated with attendance at hearings and (ii) the need for the implementation of Electronic Procedures for the orderly and efficient administration of these chapter 11 cases for the benefit of the Debtors, their creditors and the Debtors’ chapter 11 estates; and the Court having considered the suggestions of the Debtors, the statutory committee of unsecured creditors appointed in

the Debtors' chapter 11 cases (the "Creditors' Committee"), the Office of the United States Trustee (the "U.S. Trustee") and the Clerk of the Court; and by orders, dated February 20, 2002 (the "Initial Order") and February 26, 2002 (the "Amended Order"), the Court having granted the Motion; and, upon review, the Court has determined to modify the Initial Order and the Amended Order as provided herein; upon due consideration, good and sufficient cause appearing therefor, it is hereby ORDERED AS FOLLOWS:

1. Except to the extent modified herein, the Motion is granted and the Initial Order and Amended Order are modified and amended.

Service List

2. The Debtors shall maintain a service list (the "Service List") identifying the parties that must be served whenever a motion, application or other pleading requires the service of notice.

a. The Service List shall include (i) the Debtors, 1400 Smith Street, Houston, Texas 77002-7361, Attn: General Counsel, (ii) Weil, Gotshal & Manges LLP, co-counsel to the Debtors, 767 Fifth Avenue, New York, New York 10153, Attn: Martin J. Bienenstock, Esq. and Brian S. Rosen, Esq., (iii) Togut, Segal & Segal LLP, cocounsel to the Debtors, One Penn Plaza, New York, New York 10119, Attn: Albert Togut, Esq., (iv) Milbank, Tweed, Hadley & McCloy LLP, counsel to the Creditors' Committee, One Chase Manhattan Plaza, New York, New York 10005, Attn: Luc Despina, Esq., (v) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Mary Tom, Esq., (vi) Davis, Polk & Wardwell, counsel to JP Morgan Chase, 450 Lexington Avenue, New York, New York 10017, Attn:

Donald Bernstein, Esq., (vii) Shearman & Sterling, counsel to Citibank, N.A., 599 Lexington Avenue, New York, New York 10022, Attn: Fred Sosnick, Esq., (vii) counsel to any other statutory committee appointed in the Debtors' chapter 11 cases (the "Additional Committees"), (ix) person, or counsel if retained, appointed pursuant to 28 U.S.C. § 1104, and (x) any party that has requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

b. Any creditor, equity interest holder or party in interest that, as of the date hereof, is not included on the Service List and wishes to receive notice other than as required in accordance with Bankruptcy Rule 2002 must file a notice of appearance and request for service of papers (a "Request") with the Clerk of the Court and serve a copy of such Request upon each of the parties set forth in decretal paragraph 2(a)(i)-(vii) above. Each Request must include such party's (i) name, (ii) address, (iii) name of client, if applicable, (iv) telephone number, (v) facsimile telephone number and (vi) electronic mail (e-mail) address, unless such party files a request to be exempted from providing an electronic (e-mail) address.

c. Any party having submitted properly a Request as of the date hereof (an "Initial Request") shall not be required to submit a second Request (a "Supplemental Request") except to the extent that such Initial Request failed to include an electronic mail (e-mail) address. To the extent that such party fails to file and serve a Supplemental Request which contains an electronic mail (e-mail) address, notwithstanding the filing of the Initial Request, such party shall not be entitled to additional service of papers in accordance with decretal paragraph 3 hereof, unless such party (i) files a request to be exempted from providing an electronic (e-mail) address and

(ii) serves a copy of such request upon each of the parties set forth on the Service List as the date thereof, including, without limitation, the parties set forth in paragraph 2(a) hereof.

d. The Debtors shall use their reasonable best efforts to update the Service List as frequently as practicable, but in no event less frequently than every ten (10) days. The Service List shall be available electronically on the Court's website (www.nysb.uscourts.gov) and on the Independent Website, as defined below, to be created and maintained for these chapter 11 cases.

Filing/Service of Papers

3. Pursuant to (i) the Court's General Order (Revised Electronic Filing Electronic Procedures), #M-242, dated January 19, 2001, and (ii) Sections II (A) and (B) of the Revised Administrative Electronic Procedures for Electronically Filed Cases (the "Electronic Procedures"), (a) except with regard to documents which may be filed under seal, all motions, pleadings, memoranda of law, or other documents required to be filed with the Court in these chapter 11 cases shall be electronically filed on the Court's Electronic Filing System, (b) except with regard to (i) service upon (1) counsel to the Debtors, (2) counsel to the Creditors' Committee, (3) counsel to the Additional Committees, (4) the U.S. Trustee and (5) any department or agency of the United States of America, including the United States Attorney, as may be required in accordance with Section II(B)(3) of the Electronic Procedures, or in accordance with a subsequent order of the Court, and (ii) the delivery, unless otherwise ordered by the Court, of a courtesy copy of every pleading, motion, application, objection, response or other filed document to the Court's chambers, c/o Room 534, Alexander Hamilton Custom House, One Bowling

Green, New York, New York 10004, clearly marked “Chambers Copy”, no documents shall be required to be served in paper (i.e., “hard copy”), and (c) except as set forth in paragraphs 2(b) and (c) hereof, each party having filed a Request, whether or not set forth in the Service List, shall be deemed to have consented to electronic service of papers. Under all circumstances, service upon counsel to the Debtors, counsel to the Creditors’ Committee, counsel to any Additional Committees, the U.S. Trustee and any department or agency of the United States of America, including the United States Attorney, is required to be in paper, as well as in accordance with the Electronic Procedures.

Omnibus Hearing Days

4. Unless otherwise ordered by the Court or established by the Court as of the date hereof, the Court hereby establishes Thursday of each week at 10:00 a.m. as the scheduled hearing day (the “Hearing Day”) and time for hearing all motions, applications and other matters in these chapter 11 cases, including, without limitation, in connection with adversary proceedings. No calendared matter shall, even with the consent of the Debtors and the other movant with respect thereto, be adjourned without Court approval. Notwithstanding the foregoing, to the extent that such Thursday is not a business day, or the Court is not otherwise open for business, the Court shall post such exceptions on the Court’s internet case calendar (the “Court Calendar”), available at www.nysb.uscourts.gov. In the event that a motion, application or other matter is filed with the Court and does not appear on the Court Calendar within three (3) business days of the filing thereof, such filing party should contact the Court’s chambers for the sole purpose of posting a hearing with respect thereto on the Court Calendar.

5. Except with regard to (a) motions for relief from the automatic stay in accordance with section 362 of title 11 of the United States Code (the “Bankruptcy Code”) and (b) motions and applications to compromise and settle claims, disputes and causes of action pursuant to Bankruptcy Rule 9019, all motions, applications and other matters requiring notice and/or a hearing that are filed, lodged or submitted by the Debtors, the Creditors’ Committee or any other party in interest, including, without limitation, (i) motions to compel the assumption or rejection of executory contracts and unexpired leases in accordance with section 365 of the Bankruptcy Code, and (ii) motions or applications to take examinations pursuant to Bankruptcy Rule 2004, but expressly excluding “first day” hearings for newly-filed debtors, claims objections, and adversary proceedings, shall be noticed for hearing on the next Hearing Day that is at least twenty-five (25) days after such motion, application or other pleading is filed with the Clerk of the Court and notice thereof is served upon the appropriate parties. Unless otherwise ordered by the Court, the objection deadline with respect thereto shall be the later to occur of (i) twenty (20) days after the date of filing and service of such motion, application or other pleading and (ii) three (3) days prior to the Hearing Day with respect thereto, provided, however, that, unless the parties agree otherwise, if a duly scheduled motion is adjourned before an interested party’s objection has been filed and before the objection deadline has expired, then the objection deadline shall be extended automatically as to such interested party to the date that is three (3) business days prior to the adjourned Hearing Day with respect to such motion, application, or other proceeding. The Hearing Day and objection deadline shall be set forth in the upper right corner of the first page of the applicable motion, application, or other pleading. Unless otherwise

specified herein, all time periods referred to herein shall be calculated in accordance with Bankruptcy Rule 9006.

a. In the event that “first day” motions or applications, including, without limitation, motions and applications regarding the applicability of existing “first day” orders to the chapter 11 cases of newly-filed affiliated debtors, are filed and served by newly-filed debtors at least thirty-six (36) hours before a Hearing Day, upon notice to such entities’ twenty (20) largest unsecured creditors, the Court shall consider such motions and applications at the next Hearing Day. Otherwise, such motions and applications shall be considered by the Court on the following Hearing Day.

b. The Court shall set separate hearings for claims objections and for pre-trials conferences and trials in connection with adversary proceedings. Initial pre-trial conferences in connection with adversary proceedings shall be scheduled on the next available Hearing Day that is at least forty-five (45) days after the filing of the complaint.

c. In the event that any party or entity proposes to act or obtain an order by notice of presentment, notice of settlement or other means, in lieu of proceeding by motion, such party may provide written notice in accordance with the provisions of Rule 2002-2 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”); provided, however, that, unless otherwise ordered by the Court, the time periods set forth in Local Rules 2002-2 (b) and (d) are hereby extended to those set forth in this decretal paragraph 5. If a timely objection is made to a proposal to act or obtain an order by notice of presentment, notice of settlement or other means, such objection is deemed to be a request for a hearing. In such a case, a Hearing Day will be chosen by the

Court and the parties will be notified of the Hearing Day pursuant to the terms of this Order.

d. Notwithstanding anything contained in this decretal paragraph 5 to the contrary, motions for relief from the automatic stay in accordance with section 362 of the Bankruptcy Code shall be noticed for hearing on the next Hearing Day that is at least twenty (20) days after such motion is filed with the Clerk of the Court and notice thereof is served upon the Debtors. Unless otherwise ordered by the Court, the objection deadline with respect thereto shall be the later to occur of (i) fifteen (15) days after the date of filing and service of such motion and (ii) three (3) days prior to the Hearing Day with respect thereto. If such duly scheduled motion with respect to a request for relief under section 362(d) of the Bankruptcy Code is adjourned upon the consent of the Debtors and the moving party to a date that is on or after the thirtieth (30th) day after the moving party's request for relief was made, the moving party shall be deemed to have consented to the continuation of the automatic stay in effect pending the conclusion of, or as a result of, a final hearing and determination under section 362(d) of the Bankruptcy Code, and shall be deemed to have waived its right to assert the termination of the automatic stay under section 362(e) of the Bankruptcy Code. In the event that any hearing in connection with a motion for relief from the automatic stay shall require the presentation of evidence, the movant shall inform the Court, the Debtors and the Creditors' Committee, in writing, of any such intention, the manner of presentation, the number of potential witnesses and the expected length of such presentation no later than three (3) days prior to the Hearing Day with respect thereto.

e. Notwithstanding anything contained in this decretal paragraph 5 to the contrary, and unless otherwise shortened by an order of the Court, motions and applications to compromise and settle claims, disputes and causes of action pursuant to Bankruptcy Rule 9019 shall be noticed for hearing on the next Hearing Day that is at least ten (10) days after such motion or application is filed with the Clerk of the Court; provided, however, that the foregoing is without prejudice to the right of the Creditors' Committee to seek an adjournment thereof. Unless otherwise ordered by the Court, the objection deadline with respect thereto shall be three (3) days prior to the Hearing Day with respect thereto.

6. Notwithstanding the provisions of decretal paragraph 5 hereof, in the event that, in the reasoned determination of a movant or applicant, a motion or application of a party or entity other than the Debtors requires emergency or expedited relief:

a. Such movant or applicant shall contact counsel to the Debtors and counsel to the Creditors' Committee requesting that such motion or application be considered on an expedited basis.

b. In the event that either counsel to the Debtors or counsel to the Creditors' Committee disagree with the movant or applicant's determination regarding the emergency or expedited nature of the relief requested, such movant or applicant, as the case may be, shall (i) inform the Court of such disagreement via telephone and thereafter (ii) arrange for a chambers conference, telephonic or in-person, to be held among the Court, counsel to the Debtors, counsel to the Creditors' Committee and such movant or applicant to discuss such disagreement. In the event that, following such

chambers conference, the Court agrees with the position of such movant or applicant regarding the necessity for expedited consideration, such movant or applicant, as the case may be, may, by order to show cause, request a hearing to be held on a Hearing Day prior to the Hearing Day that is twenty-five (25) days, or in the case of motions for relief of the automatic stay, twenty (20) days, following the filing and services of the applicable motion or application. Any such motion or application must state with specificity the reason why an emergency exists or why there is a need for expedited treatment, indicate in the caption thereof that it is an emergency motion and certify the fact that a chambers conference, telephonic or in-person, was held and the concurrence of the Court as to the necessity for expedited consideration. In the event that the Court grants such emergency treatment, the Court shall direct the requisite notice and shall set a hearing date and time. On the Hearing Day on which the matter is scheduled, the Court shall first consider the propriety of emergency treatment, whether adequate notice has been given, and whether there has been adequate opportunity for parties to be heard. In the event that the Debtors seek emergency or expedited relief, such request for emergency or expedited consideration shall be upon prior notice to counsel for the Creditors' Committee and any Additional Committees and an opportunity to be heard.

c. In the event that counsel to the Debtors and counsel to the Creditors' Committee agree with the movant or applicant's determination regarding the emergency or expedited nature of the relief requested, such movant or applicant, as the case may be, may, by proposed scheduling order, request a hearing to be held on a Hearing Day prior to the Hearing Day that is twenty-five (25) days, or in the case of motions for relief of the automatic stay, twenty (20) days, following the filing and

services of the applicable motion or application. Any such motion or application must certify the agreement of expedited treatment by the Debtors and the Creditors' Committee, state with specificity the reason why an emergency exists or why there is a need for expedited treatment and indicate in the caption thereof that it is an emergency motion. In the event that the Court grants such emergency treatment, the Court shall direct the requisite notice and shall set a hearing date and time. On the Hearing Day on which the matter is scheduled, the Court shall first consider the propriety of emergency treatment, whether adequate notice has been given, and whether there has been adequate opportunity for parties to be heard.

Proposed Hearing Agenda

7. By 12:00 noon on the day prior to each Hearing Day, the Debtors' counsel shall provide to Chambers, counsel for the Creditors' Committee, counsel to the Additional Committees, counsel to the Debtors' debtor in possession lenders, and the U.S. Trustee a proposed agenda with regard to the matters which are or were to be heard on such Hearing Day (the "Proposed Hearing Agenda").

a. The Clerk shall post the Proposed Hearing Agenda on the Court's website and the Debtors shall provide a copy of the Proposed Hearing Agenda to the Independent Website host and cause the Proposed Hearing Agenda to be posted on the Independent Website. The Proposed Hearing Agenda, whether or not served on parties or published on the internet, shall constitute merely a proposal for the convenience of the Court and counsel and NOT be determinative of the matters to be heard on that day or whether there will be a settlement or continuance.

b. The Proposed Hearing Agenda is expected to include:

- (i) The docket number and title of each matter to be scheduled for hearing on the next Hearing Day;
- (ii) Whether the matter has been adjourned;
- (iii) Whether the matter is contested or uncontested;
- (iv) The Debtors' estimate of the time required to hear each matter;
- (v) Other comments that will assist the Court in organizing its docket for the day (for example, if a request for continuance or withdrawal of the matter is expected); and
- (vi) A suggestion for the order in which the matters should be addressed.

c. On the Hearing Day, the Court may, or may not, accept the hearing agenda proposed by the Debtors.

Independent Website

8. The Debtors are authorized to establish and maintain an independent, separately named website (the "Independent Website") for the posting of all documents filed in the main case, as well as any associated adversary proceedings, except proofs of claim and those documents filed under seal or otherwise excepted by the Court. It is intended that orders, decisions and all other documents will be posted on the Independent Website within one (1) business day of receipt by the Independent Website host. All documents filed with the Court or otherwise entered by the Clerk shall be posted on the Court's System, as defined in the Electronic Procedures, and then the Independent Website host will post such documents on the Independent Website. Unless

previously provided electronically, if necessary, it shall be the responsibility of the Debtors to arrange to have the documents picked up or delivered at least once during each day the Clerk's Office is open. The Clerk of the Court shall continue to docket all documents and maintain the official court record on the Court's System.

9. Unless otherwise determined by the Debtors, the schedules and statement of financial affairs (the "Schedules") to be filed by the Debtors shall not be placed on the Independent Website. In the event a party in interest desires a photocopy of the Schedules, such party must contact Togut, Segal & Segal LLP, co-counsel to the Debtors, One Penn Plaza, New York, New York 10119, Attn: Scott Ratner, Esq.

10. Proofs of claims shall not be placed on the Independent Website.

11. Notwithstanding the foregoing, in its discretion, the Court may direct that certain pleadings not be placed on the Independent Website if they are simply procedural and do not deal with specific substantive matters, including, without limitation, requests for special notices and certificates of service.

12. The Independent Website shall prominently display the following disclaimer:

"Please take notice that this website has been established, and is being maintained and operated by the Debtors, Enron Corp., et al., at the direction of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") pursuant to the Case Management Order Establishing, Among Other Things, Noticing Electronic Procedures, Hearing Dates, Independent Website and Alternative Methods of Participation at Hearings, dated February 20, 2002 as amended by the Amended Case Management Order Establishing, Among Other Things, Noticing Electronic Procedures, Hearing Dates, Independent

Website and Alternative Methods of Participation at Hearings, dated February 26, 2002 and the Second Amended Case Management Order Establishing, Among Other Things, Noticing Electronic Procedures, Hearing Dates, Independent Website and Alternative Methods of Participation at Hearings, dated December 17, 2002. This website is not the website of the Bankruptcy Court. While every attempt is being made to assure the accuracy of the information contained on the site, this website does not contain or comprise the official court records. The site is being made available merely as a convenience to all interested parties and the public.”

Participation in Hearings By Telephone/Video-Conferencing

13. The Debtors shall arrange with a service, to be determined by the Debtors in their sole and absolute discretion, for the participation in hearings in these chapter 11 cases by telephone conference. Any party filing a motion, application or other pleading, including, without limitation, an objection or response thereto, may participate in a hearing by telephone conference; provided, however, that prior written notification of such party’s intention to participate telephonically shall be provided by such party to counsel to the Debtors, the Creditors’ Committee and any Additional Committees, at least twenty-four (24) hours prior to the commencement of any hearing. Any party not submitting a pleading, but interested in monitoring the Court’s proceedings, may participate by telephone conference in “listen-only” mode. Under no circumstances, may any party record or broadcast the proceedings conducted by the Court. Information regarding the manner and cost of telephonic participation shall be posted on the Court’s website and the Independent Website. Any costs associated with setting up this system,

but expressly not including the cost of participation, shall be borne by the Debtors as permitted by 28 U.S.C. § 156(c).

14. The Court shall consider the use of video-conferencing on a case-by-case basis. Any costs associated with the use of video-conferencing, unless otherwise ordered by the Court, shall be borne by the party requesting the use thereof.

Settlement

15. In the event that a matter is properly noticed for hearing and the parties reach agreement on a settlement of the dispute prior to the final hearing, the parties may announce the settlement at the scheduled hearing on the Hearing Day. In the event that the Court determines that the notice of the dispute and the hearing is adequate notice of the effects of the settlement (*i.e.*, that the terms of the settlement are not materially different from what parties in interest could have expected if the dispute were fully litigated), the Court may approve the settlement at the hearing without further notice of the terms of the settlement. In the event that the Court determines that additional or supplemental notice is required, the Debtors shall serve such notice in accordance with the procedures set forth in decretal paragraphs 3 and 5 hereof and a hearing to consider such settlement shall be on the next Hearing Day deemed appropriate by the Court.

Notice

16. Upon entry hereof, the Debtors shall serve a hard copy of this Order upon all parties set forth on the Service List as of the date hereof.

Effect

17. Except as modified herein, the provisions of the Initial Order and the Amended Order remain in full force and effect.

Dated: New York, New York
December 17, 2002

s/ Arthur J. Gonzalez
HONORABLE ARTHUR J. GONZALEZ
UNITED STATES BANKRUPTCY JUDGE