SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-27810; 70-10199)

Memorandum Opinion and Order Approving Plan of Reorganization Under Section 11(f) and Issuing Report Under Section 11(g)

March 9, 2004

THIS ORDER AND REPORT IS REQUIRED BY THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935. SECURITY HOLDERS SHOULD READ THE DISCLOSURE STATEMENT PROVIDED TO THEM BY THE DEBTORS-IN-POSSESSION BEFORE DETERMINING WHETHER OR NOT TO ACCEPT THE PLAN.

Enron Corp. ("Enron"), a public-utility holding company,[1] has filed an application, as amended, with the Securities and Exchange Commission ("Commission"), on its own behalf and on behalf of its subsidiaries and affiliates in the bankruptcy cases under Chapter 11 ("Chapter 11 Cases") of the United States Bankruptcy Code ("Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court") (together with Enron, "Debtors"),[2] for an order: (i) approving the Debtors' Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the Bankruptcy Code, dated January 9, 2004 ("Plan") under section 11(f) of the Public Utility Holding Company Act of 1935, as amended ("Act"); (ii) issuing a report on the Plan under section 11(g) of the Act; and (iii) authorizing Debtors under rules 62 and 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

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[1] Enron is a public-utility holding company by reason of its ownership of Portland General Electric Company ("Portland General" and "PGE"), an Oregon electric utility.

[2] The Debtors, other than Enron, are identified in Exhibit H of the application. Portland General is not a Debtor.

creditors a report on the Plan, as prescribed in section 11(g) of the Act. The application is sometimes referred to below as the "Plan Application."

The Commission issued a notice of the application on February 6, 2004.[3] No request for a hearing was received.

I. Background

A. Enron and its Subsidiaries

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 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 companies were principally engaged in: (i) the marketing of natural gas, electricity and other commodities, and related risk management and financial services worldwide; (ii) the delivery and management of energy commodities and capabilities to end-use retail customers in the industrial and commercial business sectors; (iii) the generation, transmission, and distribution of electricity to markets in the northwestern United States; (iv) the transportation of natural gas through pipelines to markets throughout the United States; and (v) the development, construction, and operation of power plants, pipelines, and other energy-related assets worldwide.

Enron became a public-utility holding company when it acquired Portland General in 1997. Portland General is engaged in the generation, purchase, transmission,

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[3] Holding Co. Act Release No. 27800.

distribution, and retail sale of electricity in Oregon. It also sells wholesale electric energy to utilities, brokers, and power marketers located throughout the western United States.[4] As of and for the nine months ended September 30, 2003, Portland General and its subsidiaries on a consolidated basis had operating revenues of $1,375 million, net income of $30 million, retained earnings of $517 million and assets of $3,185 million.

Portland General is not a Debtor in the Chapter 11 Cases. The application states that the utility is extensively insulated from Enron as a result of conditions imposed under Oregon law at the time of the acquisition by Enron in 1997. In addition, in an effort to preserve Portland General's investment grade credit rating, a bankruptcy-remote structure for Portland General was created in 2002.[5]

B. Status of Enron under the Act

After Enron acquired Portland General, it 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

[4] The Oregon Public Utility Commission ("Oregon Commission") regulates Portland General with regard to its rates, terms of service, financings, affiliate transactions and other aspects of its business. The Federal Energy Regulatory Commission ("FERC") regulates the utility with respect to its activities in the interstate wholesale power markets.

[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 the company 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.

the requests for exemption.[6] Enron subsequently filed an application for exemption under section 3(a)(4) of the Act on behalf of itself and two other entities.[7] 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.[8]

The application in this file ("Plan Application") and the companion application in File No. 70-10200 ("Omnibus Application") seeking various authorizations necessary to implement the Plan would result in Enron's withdrawing its remaining application for exemption and registering under the Act.[9] The Omnibus Application supplements the Plan Application. The Enron group companies seek sufficient authorization under the Act to continue the solicitation of acceptances to the Plan, obtain the confirmation of the Plan before the Bankruptcy Court, implement the Plan, and conduct business within the parameters specified in the Omnibus Application, pending the confirmation and full implementation of the Plan. The Plan Application and the Omnibus Application are predicated on Enron registering under the Act prior to or simultaneously with the Commission's issuances of the requested orders.

If, as proposed under the Plan and discussed further below, Enron sells the common stock of Portland General to an unaffiliated purchaser or distributes the stock to

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[6] Holding Co. Act Release No. 27782.

[7] File No. 70-10190.

[8] Holding Co. Act Release No. 27793.

[9] The Commission issued a notice of the Omnibus Application on February 6, 2004 (Holding Co. Act Release No. 27799).

the Debtors' creditors or to a trust, Enron would deregister as a holding company upon the completion of the transaction.[10]

C. The Chapter 11 Cases

In the last quarter of 2001, the Enron group 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 ("Initial Petition Date"), Enron and certain of its subsidiaries each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. As of February 3, 2004, one hundred eighty (180) Enron-related entities had filed voluntary petitions.[11] Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors continue to operate their businesses and manage their properties as debtors in possession.

As noted above, Portland General is not in bankruptcy. Many other Enron companies have not filed bankruptcy petitions and continue to operate their businesses.

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[10] 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.

[11] As referred to below and in the Plan and Disclosure Statement, the Chapter 11 Cases are those commenced by the Debtors on or after the Initial Petition Date, Docket No. 15303, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), Jan. 9, 2004 (U.S. Bankruptcy Court, S.D.N.Y.) ("Disclosure Statement Order").

On November 29, 2001, and on various subsequent dates, certain foreign affiliates of Enron in England went into administration. Shortly thereafter, various other foreign affiliates also commenced (either voluntarily or involuntarily) insolvency proceedings in Australia, Singapore and Japan. Additional filings have continued worldwide and insolvency proceedings for foreign affiliates are continuing for various companies registered in Argentina, Bahamas, Bermuda, Canada, the Cayman Islands, France, Germany, Hong Kong, India, Italy, Mauritius, the Netherlands, Peru, Spain, Sweden and Switzerland.

II. The Plan[12]

A. Introduction

On July 11, 2003, the Debtors filed a joint Chapter 11 plan and a related Disclosure Statement, both of which were subsequently amended several times. A hearing to consider the adequacy of the information 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, establishing voting procedures, and ordering the solicitation of votes approving or rejecting the Plan.[13] The Bankruptcy Court established April 20, 2004 as the date for commencement of the Confirmation Hearing and March 24, 2004 as the last date for filing objections to confirmation of the Plan. To confirm the Plan, the Bankruptcy Court must find that (i) the Plan is feasible, (ii) it is proposed in good faith, and (iii) the Plan and the proponent of the Plan are in compliance with the Bankruptcy Code.

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[12] All capitalized terms used hereinafter follow the definitions specified in the Plan and attached to this order as Attachment 1. The Plan and Disclosure Statement are attached as Exhibits I-1 and I-2 to the Plan Application. The Plan, Disclosure Statement and other documents related to the Chapter 11 Cases are also available at www.enron.com.

[13] *See* Order on motion of Enron Corp. approving the Disclosure Statement, setting record date for voting purposes, approving solicitation packages and distribution procedures, approving forms of ballots and vote tabulation procedures, and scheduling a hearing and establishing notice and objection procedures in respect of confirmation of the plan, Disclosure Statement Order, *supra* note 10; Order establishing voting procedures in connection with the plan process and temporary allowance of claims procedures related thereto, Docket No. 15296, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), Jan. 9, 2004 (U.S. Bankruptcy Court, S.D.N.Y.) ("Voting Procedures Order"). Representatives of the Commission were present at the hearing to consider approval of the Disclosure Statement. The orders are attached to the Plan Application as Exhibits J-1 and J-2.

In accordance with the Disclosure Statement Orders, the Debtors have placed solicitation materials online at www.enron.com, prepared documents and diskettes for distribution and begun distribution of the materials to creditors and equity interest holders. The Debtors note that the order and report of the Commission requested in the Plan Application could be included in the Plan Supplement that is scheduled to be filed with the Bankruptcy Court and placed online at www.enron.com no later than March 9, 2004 or such date as the Bankruptcy Court may authorize. Creditors would then have the opportunity to consider the order and report prior to the expiration of the period to vote on the Plan.

B. Overview of the Plan

The Plan does not provide for Enron to survive in the long term as an ongoing entity with any material operating businesses. Enron's role as a Reorganized Debtor will be to hold and sell assets and to manage the litigation of the estates pending the final conclusion of the Chapter 11 Cases. Although it is expected that several years may be required to conclude the extensive litigation in which the Debtors' estates are involved, the three Operating Entities, including Portland General, are expected to be divested relatively soon after confirmation of the Plan.[14]

The Debtors believe that holders of all Allowed Claims impaired under the Plan will receive payments under the Plan having a present value as of the Effective Date not less than the amounts that they would likely receive if the Debtors were liquidated in a case under Chapter 7 of the Bankruptcy Code. At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims would receive

greater distributions under the Plan than they would have received in a liquidation under Chapter 7 of the Bankruptcy Code.[15]

The Plan is premised upon the distribution of all of the value of the Debtors' assets. Since the commencement of the Chapter 11 Cases, the Debtors have been engaged in the rehabilitation and disposition of their assets to satisfy the claims of creditors. They have been consolidating, selling businesses and assets, dissolving entities and simplifying their complex corporate structure.[16] They are holding cash from prior sales pending distribution under the Plan and are positioning other assets for sale or other disposition.[17] The Debtors also have been involved in the settlement of numerous contracts related to wholesale and retail trading of various commodities.[18]

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[14] The Operating Entities are Portland General, Prisma Energy International Inc. ("Prisma") and CrossCountry Energy Corp. ("CrossCountry").

[15] Disclosure Statement at 626.

[16] In this process, hundreds of corporations have been liquidated. On the Initial Petition Date, the Enron group totaled approximately 2,400 legal entities. Approximately 600 have been sold, merged or dissolved and approximately 1,800 remain. It is anticipated that, by the end of 2004, the number of legal entities will be reduced to that necessary for Enron's operating businesses and the liquidation of assets.

[17] The Debtors and other Enron group 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 associate companies and certain other related companies that aggregates approximately $3.6 billion. In many instances, proceeds from these sales either are segregated or are in escrow accounts. The distribution of the proceeds will require either the consent of the Creditors' Committee or an order of the Bankruptcy Court.

[18] At the commencement of the Chapter 11 Cases, both Debtor and non-Debtor companies had a significant number of non-terminated and terminated positions arising out of physical and financial contracts relating to numerous commodities. The companies have evaluated these contracts and undertaken efforts to perform, sell or settle these positions. The settlement of the contracts is approved under pre-established protocols that the Bankruptcy Court has approved.

The Debtors state that, since the Initial Petition Date, they have conducted sales efforts for substantially all of the Enron companies' core domestic and international assets.[19] In those instances where an immediate sale maximized the value of the interest, the assets either were sold or are the subject of pending sales. Following consultation with the Creditors' Committee, in those instances where the long-term prospects were anticipated ultimately to produce greater value, assets were retained. As discussed below, these retained assets will either (i) be located in one of the Operating Entities, *i.e.*, Portland General, Prisma and CrossCountry, with the stock or other equity of the Operating Entities to be distributed to Creditors pursuant to the Plan, or (ii) be sold at a later date.

Specifically, when and to the extent that an interest in any of these businesses or related businesses is sold, the resulting net sale proceeds held by a Debtor will be distributed to Creditors in the form of Creditor Cash. To the extent that Portland General, Prisma and CrossCountry have not been sold as of the Initial Distribution Date, then the value in these Operating Entities will be distributed to Creditors in the form of Plan Securities,[20] free and clear of all liens, claims, interests and encumbrances. Section 32.1(c) of the Plan provides that, commencing on or as soon as practicable after the Effective Date, the stock of the Operating Entities shall be distributed to holders of

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[19] As explained in the Disclosure Statement, Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. Asset sales, stock sales and other disposition efforts, however, can also be conducted during a Chapter 11 case or pursuant to a Chapter 11 plan. Disclosure Statement at 1.

[20] Plan Securities means Prisma Common Stock, CrossCountry Common Equity and PGE Common Stock.

specified claims upon (i) allowance of General Unsecured Claims in an amount that would result in the distribution of 30% of the issued and outstanding shares of the Operating Entity, and (ii) obtaining the requisite consents for the issuance of the shares.

While the Debtors hope that the 30% threshold is reached before December 31, 2003, there can be no assurance, due to the vagaries of litigation. In the event that the threshold is not reached, the stock of the Operating Entities will be placed in Operating Trusts, discussed in section II., H., *infra*. In addition to Creditor Cash and Plan Securities, distribution will involve (to the extent that such trusts are created) interests in the Operating Trusts and in the Remaining Asset Trusts, Litigation Trust and the Special Litigation Trust.[21]

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[21] The Remaining Asset Trust, the Litigation Trust and the Special Litigation Trust are Entities that, if jointly determined by the Reorganized 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, may be created on or after the Confirmation Date in accordance with the relevant provisions of the Plan and the relevant trust agreement for the benefit of holders of Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims and certain others, in accordance with the terms and provisions of the Plan.

To the extent that the Litigation Trust and Special Litigation Trust are implemented, these causes shall be deemed transferred to such Creditors on account of their Allowed Claims, and the Creditors will then be deemed to have contributed the causes of actions to either the Litigation Trust or the Special Trust in exchange for beneficial interests in the trusts. Pursuant to the Plan, upon the Effective Date, the Debtors will distribute Litigation Trust Interests and the Special Litigation Trust interests to holders of Allowed Unsecured Claims.

The Remaining Asset Trust is discussed further in section II., J., *infra*. The Litigation Trust and the Special Litigation Trust are discussed further in section II., I., *infra*.

It is anticipated that Creditor Cash will constitute approximately two-thirds of the Plan Currency. In the event that the Portland General sale transaction described below is consummated, the percentage would increase. Excluding the potential value of interests in the Litigation Trust and Special Litigation Trust, the Debtors estimate that the value of total recoveries will be approximately $12 billion.

B. Treatment of Claims

The Plan generally classifies the creditors of, and other investors in, the Debtors into several classes. The list below illustrates the descending order of priority of the distributions to be made under the Plan:

- Secured Claims
- Priority Claims
- General Unsecured and Convenience Claims
- Section 510 Senior Note Claims and Enron Subordinated Debenture Claims
- Penalty Claims and other Subordinated Claims
- Section 510 Enron Preferred Equity Interest Claims
- Enron Preferred Equity Interests
- Section 510 Enron Common Equity Interests and Enron Common Equity Interests

In accordance with the Bankruptcy Code, distributions are made based on this order of priority so that, absent consent, holders of Allowed Claims or Equity Interests in a given Class must be paid in full before a distribution is made to a more junior Class. Notably, the Debtors continue to believe that existing Enron common stock and preferred stock have no value. 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 with the litigation, exceeds the total amount of Allowed Claims

against Enron. No distributions will be made to holders of equity interests, unless and until all unsecured claims are fully satisfied.

In addition to the distributions on pre-petition Claims described above, the Plan provides for payment of Allowed Administrative Expense Claims in full. The Plan further provides that Administrative Expense Claims may be fixed either before or after the Effective Date.

The recovery estimates set forth in the Disclosure Statement are based on various estimates and assumptions, including those regarding the allowance and disallowance of Claims. As a result, if the estimate amount of Allowed Claims relied upon to calculate the estimated recoveries varies significantly from the actual amount of Allowed Claims, the actual creditor recoveries will vary significantly as well.[22]

More than 24,000 proofs of claim have been filed in the Chapter 11 Cases. The aggregate amount of Claims filed and schedules exceeds $900 billion, including duplication, but excluding any estimated amounts for the approximately 5,800 filed unliquidated Claims. These unliquidated Claims currently render it impossible for the Debtors to determine the maximum amount of their potential liability. In addition, the priority of claims and assertions by certain parties as to their entitlement to liens and/or constructive trusts may change the value available to satisfy Allowed General Unsecured Claims.[23]

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[22] Disclosure Statement at 570.

[23] *Id.* at 570-571.

D. Basis for Global Resolution of Chapter 11 Cases Embodied in the Plan

The Debtors state that the Plan represents a compromise and settlement of significant issues disputed by the Debtors, the Official Committee of Unsecured Creditors appointed in the Debtors' Chapter 11 Cases ("Creditors' Committee"), the Bankruptcy Court-appointed examiner to review transactions related to Enron North America Corp. ("ENA") and to represent the creditors of ENA ("ENA Examiner"),[24] and other parties in interest.[25]

The Debtors explain that, because of the diverse creditor body and the myriad of complex issues posed, the Debtors, the ENA Examiner and the Creditors' Committee spent more than one year engaged in analysis and negotiations concerning the terms of what eventually became the Plan and related matters. These discussions focused on a variety of issues, including: (i) maximizing value to creditors, (ii) resolving issues regarding substantive consolidation[26] and other inter-estate and inter-creditor disputes,

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[24] The Debtors state that ENA is the single largest creditor of Enron and its intercompany claim against Enron is its single largest asset. The ENA Examiner was appointed, among other things, to serve as a plan facilitator for ENA and its subsidiaries. The ENA Examiner has performed this function by engaging in dialogue with the Debtors, representatives of the Creditors' Committee, and certain parties in interest that assert claims against ENA and its subsidiaries, and by filing reports concerning various issues related to the Plan.

[25] The global compromise does not apply to the Portland Debtors, *i.e.*, Portland General Holdings, Inc. and Portland Transition Company, Inc. The Portland Debtors were excluded from the global compromise embedded in the Plan for various reasons, including the fact that, in contrast to the other Debtors, the Portland Debtors were not integrated into the Enron Companies' centralized processes. *See* Disclosure Statement, Appendix M: Substantive Consolidation Analysis at M-5.

[26] Generally, substantive consolidation is a judicially created equitable remedy whereby the assets and liabilities of two or more entities are pooled, and the pooled assets are aggregated and used to satisfy the claims of creditors of all the consolidated entities. Disclosure Statement at 10.

and (iii) facilitating an orderly and efficient distribution of value to creditors. The Debtors state that the Plan represents the culmination of these efforts and reflects agreements and compromises reached among the Debtors, the ENA Examiner and the Creditors' Committee concerning these issues. The Debtors note that the Creditors' Committee and the ENA Examiner fully support the Plan. The members of the Creditors' Committee have unanimously recommended that creditors vote to accept it, and both the Creditors' Committee and the ENA Examiner have included letters in the solicitation materials endorsing the Plan and urging parties to support confirmation.

The Plan incorporates various inter-Debtor, Debtor-Creditor and inter-Creditor settlements and compromises designed to achieve a global resolution of the Chapter 11 Cases. Thus, the Plan is premised upon a settlement, rather than litigation, of these disputes.[27] The settlements and compromises embodied in the Plan represent, in effect, a linked series of concessions by Creditors of every individual Debtor in favor of each other. The agreements are interdependent.

To reach the global compromise, the Debtors and the Creditors' Committee considered, among other things, the most significant inter-estate disputes (including certain issues between Enron and ENA), the issue of substantive consolidation, and the cost and delay that would be occasioned by full-blown, estate-wide litigation of such issues. The Debtors and the Creditors' Committee believe that the Plan will reduce the duration of the Chapter 11 Cases and the expenses that attend protracted disputes. Although a litigated outcome of each issue might differ from the result produced by the

Plan, the Debtors and the Creditors' Committee believe that, if the issues resolved by the Plan were litigated to conclusion, the Chapter 11 Cases would be prolonged for, at a minimum, an additional year, and probably much longer. In that regard, it is important to bear in mind that the professional fees incurred in the Chapter 11 Cases, even without such estate-wide litigation, have been approximately $330 million per year.

E. Major Components of the Global Compromise

There are several components of the global compromise, including, among others: (i) substantive consolidation of the Debtors' estates; (ii) the use of a common currency (referred to as Plan Currency)[28] to make distributions under the Plan; (iii) the treatment of Intercompany Claims and resolution of other inter-estate issues; (iv) the resolution of certain asset ownership disputes between Enron and ENA; (v) the resolution of interstate issues regarding rights to certain claims and causes of action; (vi)

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[27] Nevertheless, as noted above and discussed in section II., I, *infra*, the Plan does provide for litigation trusts to pursue avoidance and other types of claims against numerous financial institutions, individuals and other entities, including some which may be Creditors of the Debtors' estates.

[28] Art. 1.193 of the Plan defines "Plan Currency" to mean 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. Prisma and CrossCountry are described below, as are the Prisma Trust, CrossCountry Trust and PGE Trust. Prisma Common Stock, Cross Country Common Equity and PGE Common Stock are referred to collectively as "Plan Securities." Art. 1.194 of the Plan. With limited exceptions, each holder of an Allowed Unsecured Claim against each Debtor shall receive the same Plan Currency, regardless of the asset composition of such Debtor's estate, on or subsequent to the Effective Date. The mixture of Plan Currency will bear direct relationship to the amount of Creditor Cash available for distribution and the value of the respective Plan Securities, as recalculated in accordance with provisions of Section 32.1(d) of the Plan. Plan Currency is discussed further in section E.3., *infra*.

the treatment of Allowed Guaranty Claims, and (vii) a reduction in the administrative costs post-confirmation. Some features of the global compromise are discussed below.

1. Issue of Substantive Consolidation

The global compromise and settlement forged by the Debtors and the Creditors' Committee is predicated upon a negotiated formula. The formula is a proxy for resolving the numerous inter-estate issues without protracted and expensive litigation. The formula would distribute value to Creditors based on hypothetical cases of substantive consolidation and no substantive consolidation. Specifically, under the global compromise of inter-estate issues embodied in the Plan (except with respect to the Portland Debtors, as noted previously), distributions of Plan Currency will be made on account of Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims based on agreed percentages being applied to two scenarios for making distributions: (i) substantive consolidation of all of the Debtors, or (ii) no substantive consolidation of any of the Debtors. Accordingly, for example, subject to certain adjustments, a holder of an Allowed General Unsecured Claim will receive the sum of (i) 30% of the distribution that the Creditor would receive if the Debtors' estates were substantively consolidated, but notwithstanding such substantive consolidation, one-half of Allowed Guaranty Claims were included in the calculation; and (ii) 70% of the distribution that the Creditor would receive if the Debtors were not substantively consolidated. As noted, the 30/70 weighted average is not a precise mathematical quantification of the likelihood of substantive consolidation of each Debtor into each of the other Debtors, but, instead, a negotiated approximation of the likely recoveries if

numerous inter-estate issues, including substantive consolidation, were litigated to judgment as to all Debtors.

2. Intercompany Claims

Typically, substantive consolidation eliminates all intercompany claims among the consolidated entities. In contrast, without substantive consolidation, such intercompany claims may either be treated pari passu with similarly situated third-party claims, subordinated to third-party claims or re-characterized as equity contributions. Moreover, absent substantive consolidation, each debtor may seek to disallow a given intercompany claim or to recover affirmatively on various claims or causes of action against another debtor.[29]

Prior to the Initial Petition Date, the Debtors maintained a complex corporate structure consisting of thousands of entities, which, in the aggregate, engaged in millions of inter-company transactions in the years leading to the bankruptcy filings. The myriad of prepetition intercompany claims arose from a variety of transactions, including, but not limited to, payables and receivables resulting from the centralized cash management system, asset transfers, and agreements regarding services and operations.

Under the global compromise, except with respect to the Portland Debtors, Debtors holding Allowed Intercompany Claims (*i.e.*, accounts and notes owed by one Debtor to another Debtor) will receive 70% of the distribution that the Debtor would receive if the Debtors were not substantively consolidated. As the 30% scenario is based on the hypothetical substantive consolidation of all Debtors, no distribution will be made on Intercompany Claims under this scenario.

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[29] Disclosure Statement at 14.

All other potential inter-Debtor remedies, such as the potential disallowance, subordination, or re-characterization of Intercompany Claims, and certain affirmative claims or causes of action against any other Debtor, will be waived. Given the sheer volume of intercompany transactions, in an effort to conserve the estates' resources and expedite the Plan process, neither the Debtors nor the Creditors' Committee has conducted detailed diligence or analysis regarding each and every potential inter-Debtor cause of action or remedy being waived by the Debtors under the Plan. The inter-Debtor waivers were negotiated as an integral part of the global compromise in order to ensure that the efficient resolution of the Chapter 11 Cases would not be jeopardized by ongoing inter-estate disputes. These waivers will not affect, however, the Debtors' ability to pursue third parties (including non-Debtor affiliates) on any claims, causes of action or challenges available to any of the Debtors in the absence of substantive consolidation, including any avoidance actions or defenses to setoff for lack of mutuality. Similarly, for purposes of litigation commenced by the Debtors against third parties, these waivers and compromises respecting Intercompany Claims will not constitute a judicial finding that can be used by or against any of the parties to such litigation that any particular Intercompany Claims are valid debt obligations, as opposed to equity contributions or dividends.

2. Plan Currency

In light of the global compromise and the settlement of inter-estate issues, the actual consideration to be distributed on account of Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims will be derived from a common pool consisting of a mixture of Creditor Cash, Prisma Common Stock,

CrossCountry Common Equity and PGE Common Stock (collectively, "Plan Currency").[30] Generally, for purposes of making distributions to Creditors of each of the Debtors, a portion of Plan Currency is allocated to each Debtor following application of the 30/70 weighted average reflecting the likelihood of substantive consolidation. Each Debtor's allocated portion of Plan Currency is referred to in the Plan as the Distributive Assets attributable to the Debtor.

The following represent certain components of Plan Currency:

a. Creditor Cash

In addition to Cash available to pay Secured Claims, Administrative Expense Claims, Priority Claims and Convenience Class Claims as provided for in the Plan, Cash distributions will be made from available Creditor Cash to holders of Allowed General Unsecured Claims, Allowed Intercompany Claims and Allowed Guaranty Claims. Creditor Cash available as of the Effective Date will be equal to, or greater than, the amount of Creditor Cash as jointly determined by the Debtors and the Creditors' Committee and set forth in the Plan Supplement, which may be subsequently adjusted with the consent of the Creditors' Committee.[31]

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[30] In the event that the Litigation Trust or Special Litigation Trust is created, Plan Currency will not include interests in those trusts. *See supra* note 21 and section II., I,, *infra*. In the event that the Remaining Asset Trusts are created, however, interests in such trusts will be valued at the projected realizable value for the assets contained therein and, accordingly, will be included as a component of Plan Currency pending their distribution to Creditors in the form of Cash. *See also* section II., J., *infra*.

[31] Notwithstanding the foregoing, upon the joint determination of the Debtors and the Creditors' Committee, the Remaining Assets will be transferred to the Remaining Asset Trust, and the appropriate holders of Allowed Claims will be allocated Remaining Asset Trust Interests. As the Remaining Assets are liquidated, Creditor Cash will be distributed to the holders of the Remaining Asset Trust Interests.

b. PGE Common Stock

Enron recently announced an agreement to sell the common stock of Portland General to Oregon Electric Utility Company, LLC ("Oregon Electric"), a newly formed entity financially backed by investment funds managed by the Texas Pacific Group, a private equity investment firm.[32] The transaction is valued at approximately $2.35 billion, including the assumption of debt. The sale is subject to the receipt of Bankruptcy Court, Commission and Oregon Commission approvals and certain other regulatory authorizations.

On December 5, 2003, the Bankruptcy Court issued a bidding procedures order specifying January 28, 2004 as the last date on which competing prospective buyers could submit bids to acquire Portland General.[33] Under the Purchase and Sale Agreement, Enron is permitted to accept a bid that represents a "higher or better" offer for Portland General. No qualifying bid was received prior to the January 28, 2004 deadline. Thereafter, by order dated February 5, 2004, the Bankruptcy Court approved the purchase agreement and authorized the sale of Portland General to Oregon Electric.

In the event that Portland General is sold pursuant to the Purchase and Sale Agreement described above, the net proceeds will be distributed to Creditors in the form of Creditor Cash. If Portland General has not been sold, is no longer the subject of the Purchase and Sale Agreement, and is not the subject of another purchase agreement, then, when there are sufficient Allowed General Unsecured Claims to permit distribution of

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[32] Enron Corp. Press Release dated November 18, 2003. The Purchase and Sale Agreement is attached to the Plan Application as Exhibit B-2.

[33] Docket No. 14665, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), Dec. 5, 2003 (U.S. Bankruptcy Court, S.D.N.Y.).

30% of the PGE Common Stock to holders of Allowed General Unsecured Claims, Enron will cause Portland General to distribute the PGE Common Stock to holders of Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims.[34]

Upon the joint determination of the Debtors and the Creditors' Committee, before the PGE Common Stock is released to the holders of Allowed Claims, the PGE Common Stock may first be issued to the PGE Trust, with the PGE Trust Interests being allocated to the appropriate holders of Allowed Claims and the reserve for Disputed Claims.[35] The issuance of the PGE Common Stock to the PGE Trust is an option available to the Debtors and the Creditors' Committee and, in their sole discretion, may or may not be utilized.

If formed, the PGE Trust would hold Enron's interest in Portland General as a liquidating vehicle, for the purpose of distributing, directly or indirectly, the shares of Portland General (or the proceeds of a sale of the utility) to the Debtor's creditors and equity holders as required by the Plan.[36] It is possible that PGE Trust also would hold

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[34] To determine the date upon which the PGE Common Stock (and the CrossCountry Common Equity and the Prisma Common Stock, also discussed in this section) will be distributed, the Reorganized Debtor Plan Administrator must determine that the amount of the Allowed General Unsecured Claims against all Debtors constitute 30% or more of the total potential Claims (essentially, the sum of the Allowed Claims, the liquidated non-contingent filed and scheduled Claims and the estimated unliquidated and contingent Claims). At the time that this calculation exceeds 30% in the aggregate for all Debtors, the stock may be distributed. Disclosure Statement at 26, n.15.

[35] The PGE Trust is one of three proposed Operating Trusts under the Plan concerning Portland General, Prisma and CrossCountry. The Operating Trusts are discussed below. To allow the PGE Trust to be formed, as and when necessary under the Plan, Enron is seeking the necessary regulatory approvals for the creation of the trust.

[36] The PGE Trust is an applicant in File No. 70-11373 for an exemption from registration under section 3(a)(4) of the Act.

Enron's interest in Portland General for the purposes of consummating the sale of the utility to Oregon Electric.[37]

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 the PGE Trust.

c. CrossCountry Common Equity

CrossCountry is a newly formed Delaware non-Debtor indirect subsidiary of Enron.[38] As a (nonutility) holding company, CrossCountry will hold Enron's interests in several gas transportation pipelines located in the United States.[39] Pursuant to the Amended and Restated Contribution and Separation Agreement, Enron and certain of its affiliates would contribute their ownership interests in certain gas transmission pipeline businesses and certain nonutility service companies to CrossCountry LLC in exchange

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[37] *See* Article XXIV of the Plan.

[38] CrossCountry was incorporated in 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. That order contemplates that the parties may make certain modifications to the original Contribution and Separation Agreement. The parties are negotiating an Amended and Restated Contribution and Separation Agreement that incorporates certain changes to the original Contribution and Separation Agreement.

[39] Among other things, CrossCountry Energy LLC ("CrossCountry LLC") replaces CrossCountry as the holding company that owns the pipeline interests. Docket No. 13381, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), Oct. 8, 2003 (U.S. Bankruptcy Court, S.D.N.Y.); Docket No. 14560, *In re Enron Corp., et al.*, Chapter 11 Case No. 01-16034 (AJG), Dec. 1, 2003 (U.S. Bankruptcy Court, S.D.N.Y.).

for equity interests in CrossCountry LLC.[40] 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 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 services companies.[41]

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[40] The Debtors expect that the contribution of the interests in the gas pipeline businesses to CrossCountry LLC under the 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.

[41] CrossCountry LLC's principal assets will, upon closing of the formation transactions, consist of the following:

- A 100% indirect ownership interest in Transwestern Holdings Company, Inc. ("Transwestern"), which, through its subsidiary Transwestern Pipeline Company, owns an approximately 2,600-mile interstate natural gas pipeline system that transports natural gas from western Texas, Oklahoma, eastern New Mexico, the San Juan basin in northwestern New Mexico and southern Colorado to California, Arizona, and Texas markets. Transwestern's net income for the year ended December 31, 2002 was $20.7 million.

- A 50% ownership interest in Citrus Corp. ("Citrus"), a holding company that owns, among other businesses, Florida Gas Transmission Company a company with an approximately 5,000-mile natural gas pipeline system that extends from South Texas to South Florida. An affiliate of CrossCountry operates Citrus and certain of its subsidiaries. Citrus's net income for the year ended December 31, 2002 was $96.6 million, 50% of which, or $48.3 million, comprised Enron's equity earnings. CrossCountry LLC is expected to hold its interest in Citrus through its wholly owned subsidiary, CrossCountry Citrus Corp.

Unless CrossCountry has been sold or is subject to a purchase agreement, when there are sufficient Allowed General Unsecured Claims to permit distribution of 30% of the CrossCountry Common Equity to holders of Allowed General Unsecured Claims, Enron will cause CrossCountry Distributing Company to distribute the CrossCountry Common Equity to holders of Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims. In the event that CrossCountry is sold prior to distribution of the CrossCountry Common Equity, the net proceeds will be distributed to Creditors as Creditor Cash in lieu of CrossCountry Common Equity.

Upon the joint determination of the Debtors and the Creditors' Committee, before the CrossCountry Common Equity is released to the holders of Allowed Claims, the CrossCountry Common Equity may first be issued to the CrossCountry Trust, with the CrossCountry Trust Interests being allocated to the appropriate holders of Allowed Claims and the reserve for Disputed Claims. Unless CrossCountry has been sold or is the

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- A 100% interest in Northern Plains Natural Gas Company ("Northern Plains"), which directly or through its subsidiaries holds 1.65% out of an aggregate 2% general partner interest and a 1.06% limited partner interest in Northern Border Partners, L.P. ("Northern Border") a publicly traded limited partnership that is a leading transporter of natural gas imported from Canada to the Midwestern United States. Pursuant to operating agreements, Northern Plains operates Northern Border's interstate pipeline systems, including Northern Border Pipeline, Midwestern, and Viking. Northern Border also has (i) extensive gas gathering operations in the Powder River Basin in Wyoming, (ii) natural gas gathering, processing and fractionation operations in the Williston Basin in Montana and North Dakota, and the western Canadian sedimentary basin in Alberta, Canada, and (iii) ownership of the only coal slurry pipeline in operation in the United States. Northern Border's net income for the year ended December 31, 2002 was $113.7 million, of which $9.1 million comprised Enron's equity earnings.

subject of a purchase agreement, when there are sufficient Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims to permit distribution of 30% of the CrossCountry Common Equity to holders of Allowed Claims, the CrossCountry Common Equity will be released from the CrossCountry Trust to holders of Allowed Claims, with the remainder to be held in reserve for Disputed Claims. The issuance of the CrossCountry Common Equity to the CrossCountry Trust is an option available to the Debtors and the Creditors' Committee and, in their sole discretion, it may or may not be utilized.

d. Prisma Common Stock

Prisma is a Cayman Islands entity formed initially as a (nonutility) holding company pending the transfer of certain international energy infrastructure businesses that are indirectly owned by Enron and certain of its affiliates. Prisma was organized on June 24, 2003 for the purpose of acquiring the Prisma Assets, which include equity interests in the identified businesses, 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.

It is expected that the contribution of the Prisma Assets will be effected pursuant to the Prisma Contribution and Separation Agreement to be entered into among Prisma and Enron and several of its affiliates. The Debtors anticipate that the Prisma Contribution and Separation Agreement, which is currently being negotiated, will be submitted for Bankruptcy Court approval, either as part of the Plan Supplement or by a separate motion.

To date, no operating businesses or assets have been transferred to Prisma. Subject to obtaining requisite consents, however, the Debtors intend to transfer the businesses described above, either in connection with the Plan or at such earlier date as may be determined by Enron and approved by the Bankruptcy Court.[42] Prisma will be 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.[43] Applicants intend that Prisma will be a foreign utility company ("FUCO") under section 33 under the Act prior to the transfer of the businesses described above to Prisma. The transfer of such businesses to Prisma in exchange for interests in Prisma would generally be exempt under section 33(c)(1) of the Act.

Unless Prisma has been sold or is subject to a purchase agreement, when there are sufficient Allowed General Unsecured Claims to permit distribution of 30% of the Prisma Common Stock to holders of Allowed General Unsecured Claims, Enron will cause Prisma to distribute its common stock to holders of Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims. In the event that Prisma is sold prior to distribution of the Prisma common stock, the net proceeds will be distributed to Creditors as Creditor Cash in lieu of Prisma Common Stock.

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[42] In addition to Bankruptcy Court approval, the transfer of the businesses will require the consent of other parties, including, but not limited to, governmental authorities in various jurisdictions. If any of these consents are not obtained, then at the discretion of Enron, with the consent of the Creditors' Committee, as contemplated in the Plan, one or more of these businesses may not be transferred to Prisma, but remain instead, directly or indirectly, with Enron.

[43] If all businesses are transferred to Prisma as contemplated, the company will own interests in businesses with assets that include over 9,600 miles of natural gas transmission and distribution pipelines, over 56,000 miles of electric transmission and distribution lines and over 2,100 megawatts of electric generating capacity. The

Upon the joint determination of the Debtors and the Creditors' Committee, before the Prisma Common Stock is released to the holders of Allowed Claims, the Prisma Common Stock may first be issued to the Prisma Trust, with the Prisma Trust Interests being allocated to the appropriate holders of Allowed Claims and the reserve for Disputed Claims. Unless Prisma has been sold or is the subject of a purchase agreement, when there are sufficient Allowed General Unsecured Claims, Allowed Guaranty Claims and Allowed Intercompany Claims to permit distribution of 30% of the Prisma Common Stock to holders of Allowed Claims, the stock will be released from the Prisma Trust to holders of Allowed Claims, with the remainder to be held in reserve for Disputed Claims. The issuance of the Prisma Common Stock to the Prisma Trust is an option available to the Debtors and the Creditors' Committee and, in their sole discretion, it may or may not be utilized.

Of the approximately 1,800 entities in the Enron group currently, approximately 82 entities would become part of Prisma and 15 would be contributed to CrossCountry. The remaining entities would be sold or liquidated in accordance with the Plan.

F. Effectiveness of the Plan

The Plan will become effective upon the satisfaction of certain conditions. Section 1.94 of the Plan specifies that the Effective Date will occur on the first business day after the Plan is confirmed after which the conditions to the effectiveness of the Plan have been satisfied or waived, but in no event later than December 31, 2004.[44] The conditions to the effectiveness of the Plan, set forth in Section 37.1, are: (i) entry of the

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businesses will serve 6.5 million liquefied petroleum gas, gas and electricity customers in 14 countries.

Bankruptcy Court confirmation order; (ii) the execution of documents and other actions necessary to implement the Plan; (iii) the receipt of consents necessary to transfer assets to and establish Prisma and CrossCountry, and (iv) the receipt of consents necessary to issue the PGE Common Stock under the Plan.[45]

Implementation of the Plan will involve the required distributions to creditors, reporting on the status of Plan consummation, and applying for a final decree that closes the Chapter 11 Cases after they have been fully administered, including, without limitation, reconciliation of claims. Administration of the estates in conjunction with the Bankruptcy Court will continue post confirmation, in the manner described above, including the resolution of over one thousand adversary proceedings.

G. Administration of the Estates

1. Post-Confirmation Administration

As part of the Plan, the governance and oversight of the Chapter 11 Cases will be streamlined. On the Effective Date, a five-member board of directors of Reorganized Enron will be appointed, with four of the directors to be designated by the Debtors after consultation with the Creditors' Committee and one of the directors to be designated by

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[44] Under Section 1.94, the Debtors and the Creditors' Committee, in their discretion, may designate another Effective Date that falls after the Confirmation Date.

[45] As noted previously, in preparation for the distribution of Portland General under the Plan, upon receipt of all appropriate regulatory approvals, Enron may transfer its ownership interest in Portland General to PGE Trust, a to-be-formed entity. 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 PGE Common Stock is distributed to creditors rather than sold, 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.

the Debtors after consultation with the ENA Examiner.[46] The Debtors intend to file the information required by Section 1129(a)(5) of the Bankruptcy Code in the Plan Supplement no later than fifteen (15) days prior to the Ballot Date. The terms and manner of selection of the directors of each of the other Reorganized Debtors will be as provided in the Reorganized Debtors Certificate of Incorporation and the Reorganized Debtors By-laws, as they may be amended.

The ENA Examiner will (i) cease his routine reporting duties, unless otherwise directed by the Bankruptcy Court, and (ii) retain his status (other than his limited investigatory role) pursuant to orders of the Bankruptcy Court entered as of the date of the Disclosure Statement order. Pending the Effective Date of the Plan, the ENA Examiner will continue his current oversight and advisory roles as set forth in prior orders of the Bankruptcy Court, subject to the right of the Debtors, in their sole discretion, to streamline existing internal processes, including cash management and other transaction review committees.

Although the Debtors may streamline their internal processes, the information typically provided to the ENA Examiner will continue to be provided to ensure that the ENA Examiner can fulfill his oversight functions. The Creditors' Committee will be dissolved on the Effective Date, except as provided below.

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[46] Section 1129(a)(5) of the Bankruptcy Code requires that, to confirm a Chapter 11 plan, the plan proponent disclose the identity and affiliations of the proposed officers and directors of the reorganized debtors; that the appointment or continuance of such officers and directors be consistent with the interests of creditors and equity security holders and with public policy; and that there be disclosure of the identity and compensation of any insiders to be retained or employed by the reorganized debtors.

2. Post-Effective Date Administration

Upon appointment of the new board of Reorganized Enron, from and after the Effective Date, the Creditors' Committee will continue to exist only for limited purposes relating to the ongoing prosecution of estate litigation. Specifically, the Creditors' Committee will continue to exist only (i) to continue prosecuting claims or causes of action previously commenced by it on behalf of the Debtors' estates, (ii) to complete other litigation, if any, to which the Creditors' Committee is a party as of the Effective Date (unless, in the case of (i) or (ii), the Creditors' Committee's role in such litigation is assigned to another representative of the Debtors' estates, including the Reorganized Debtors, the Litigation Trust or the Special Litigation Trust) and (iii) to participate, with the Creditors' Committee's professionals and the Reorganized Debtors and their professionals, on the joint task force created with respect to the prosecution of the Litigation Trust Claims pursuant to the terms and conditions and to the full extent agreed between the Creditors' Committee and the Debtors as of the date of the Disclosure Statement Order. Thus, virtually all of the decisions that will need to be made with respect to, among other things, (i) the disposition of the Debtors' Remaining Assets, (ii) the reconciliation of Claims and (iii) the prosecution or settlement of numerous claims and causes of action (other than specific litigation involving the Creditors' Committee, as set forth above), will be made by Reorganized Enron through its agents, and the board of Reorganized Enron will oversee such administration. The Debtors believe that this post-Effective Date administration is consistent with the goals of reducing the expenses in the Chapter 11 Cases and will maximize recoveries to Creditors entitled to distributions under the Plan.

The Plan does provide, however, that the ENA Examiner may have a continuing role during the post-Effective Date period. Within 20 days after the Confirmation Date, the ENA Examiner or any creditor of ENA or its subsidiaries will be entitled to file a motion requesting that the Bankruptcy Court define the duties of the ENA Examiner for the period following the Effective Date. If no such pleading is timely filed, the ENA Examiner's role will conclude on the Effective Date.[47] The Debtors and the Creditors' Committee intend to object to the continuation of the ENA Examiner during the post-Effective Date period.

The Plan also 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. Pursuant to Section 1.226 of the Plan, the Administrator would be

[47] The Plan's flexibility in this regard is not intended, nor will it be deemed, to create a presumption that the role or duties of the ENA Examiner should or should not be continued after the Effective Date; provided, however, that in no event will the ENA Examiner's scope be expanded beyond the scope approved by orders entered as of the date of the Disclosure Statement Order. In the event that the Bankruptcy Court enters an order defining the post-Effective Date duties of the ENA Examiner, notwithstanding the narrower scope of the Creditors' Committee envisioned by the Plan, the Creditors' Committee will continue to exist following the Effective Date to exercise all of its statutory rights, powers and authority until the date the ENA Examiner's rights, powers and duties are fully terminated pursuant to a Final Order.

Stephen Forbes Cooper, LLC, an entity headed by Stephen Forbes Cooper, Enron's Acting President, Acting Chief Executive Officer and Chief Restructuring Officer.[48]

In accordance with Section 36.2 of the Plan, the Administrator shall be responsible for (i) facilitating the Reorganized Debtors' prosecution or settlement of objections to, and estimations of, claims, (ii) prosecution or settlement of claims and causes of action held by the Debtors, (iii) assisting the litigation trustees in performing their duties, (iv) calculating and assisting the Disbursing Agent in implementing all distributions in accordance with the Plan, (v) filing all required tax returns and paying taxes and all other obligations on behalf of the Reorganized Debtors from funds held by the Reorganized Debtors, (vi) periodic reporting to the Bankruptcy Court of the status of the claims resolution process, distributions on allowed claims and prosecution of causes of action, (vii) liquidating the Remaining Assets and providing for the distribution of the net proceeds thereof, in accordance with the Plan, (viii) consulting with, and providing information to, the Disputed Claims Reserve overseers in connection with the voting or sale of Plan Securities to be deposited in the Disputed Claims Reserve, and (ix) such other responsibilities as may be vested in the Administrator under the Plan, the Reorganized Debtor Plan Administration Agreement, Bankruptcy Court order or as may

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[48] Mr. Cooper assumed this role at Enron on January 29, 2002, after Enron filed for bankruptcy under Chapter 11. Mr. Cooper is also the chairman of Kroll Zolfo Cooper, LLC ("Kroll"), and Kroll's Corporate Advisory and Restructuring Group. Kroll is a consulting company that provides services in corporate recovery and crisis management, forensic accounting, technology, intelligence, investigations and background screening. The Debtors state that Mr. Cooper, in his capacity as Enron's CEO, has worked with the Enron board, the Creditors' Committee, and other stakeholders in the bankruptcy process to sell non-core businesses, rehabilitate assets, prosecute the Debtors' claims against banks and professional advisors, and to assist employees. Mr. Cooper works under the supervision of Enron's board of directors, which is comprised of four individuals with

be necessary and proper to carry out the provisions of the Plan.[49] If the PGE Trust is not formed, the Administrator would also manage, administer, operate and otherwise control Portland General, subject to the supervision of the Board of Directors of the Reorganized Debtors and the consent of the Creditors' Committee.[50]

In addition, pursuant to the Plan, as of the Effective Date, the Reorganized Debtors will assist the Administrator in performing the following activities: (i) holding the Operating Entities, including Portland General, for the benefit of Creditors and providing certain transition services to such entities, (ii) liquidating the Remaining Assets, (iii) making distributions to Creditors pursuant to the terms of the Plan, (iv) prosecuting Claim objections and litigation, (v) winding up the Debtors' business affairs, and (vi) otherwise implementing and effectuating the terms and provisions of the Plan.

Finally, in connection with the prosecution of litigation claims against financial institutions, law firms, accounting firms and similar defendants, a joint task force comprised of the Debtors, Creditors' Committee representatives and certain of their professionals was formed in order to maximize coordination and cooperation between the Debtors and the Creditors' Committee. Each member of the joint task force is entitled to, among other things, notice of, and participation in, meetings, negotiations, mediations, or other dispute resolution activities with regard to such litigation. Following the Effective

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extensive business and energy industry experience. The Enron board is wholly independent and each has the support of the Creditors' Committee.

[49] Section 36.2 of the Plan.

[50] Section 40.1 of the Plan provides that the board of directors of reorganized Enron shall consist of five persons selected by the Debtors, after consultation with the Creditors' Committee (with respect to four members) and the ENA Examiner (with respect to one member).

Date, the Creditors' Committee representatives, together with the Creditors' Committee's professionals, may continue to participate in the joint task force.

H. Operating Trusts

The Plan describes the purpose of the Operating Trusts (the PGE Trust, the Prisma Trust and the CrossCountry Trusts) and the proposed management of the trusts. The Operating Trusts would be established on behalf of the Debtors and the holders of allowed claims in certain specified classes. [51]

For all federal income tax purposes, all parties (including the Debtors, the Operating Trustee and the beneficiaries of the Operating Trusts) must treat the transfer of assets to the respective Operating Trusts as a transfer to the holders of certain allowed claims, followed by a transfer by these holders to the respective Operating Trusts. The beneficiaries of the Operating Trusts are treated as the grantors of the trusts.[52]

The rights of the Operating Trustees to invest assets transferred to the Operating Trusts, the proceeds of the investments, or any income earned by the respective Operating Trusts, will be limited to the right and power to invest the assets (pending periodic distributions) in cash equivalents. The Operating Trustees must distribute at

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[51] Each Trust will be managed in accordance with an Operating Trust Agreement, which must be satisfactory to the Creditors' Committee in form and substance. The Operating Trust Agreement will provide for the management of the trust by the Operating Trustee.

The Operating Trusts would be formed by the execution of the respective Operating Trust Agreements as soon as is practical after the receipt of all appropriate or required governmental, agency or other consents authorizing the transfer of the respective assets to the Operating Trusts. *See* Plan Section 24.1. With respect to the PGE Trust, the authorization of the Oregon Commission and the FERC may be required prior to the contribution of the common stock of Portland General into the PGE Trust and the distribution of the stock to the creditors.

least annually to the holders of the respective Operating Trust Interests all net cash income plus all net cash proceeds from the liquidation of assets, but the Operating Trustees may retain amounts necessary to satisfy liabilities and to maintain the value of the assets of the Operating Trusts during liquidation and to pay reasonable administrative expenses. The Operating Trusts must terminate no later than the third anniversary of the Confirmation Date, provided, however, that the Bankruptcy Court may extend the term of the Operating Trusts for additional periods not to exceed three years in the aggregate if it is necessary to liquidate the assets of the Operating Trusts.[53]

I. Litigation Trust and Special Litigation Trust

The Plan provides that the Plan Currency and, if applicable, the Trust Interests[54] to be distributed to each holder of an Allowed General Unsecured Claim against each Debtor, shall equal the sum of (i) 70% of the distribution such holder would receive if the Debtors were not substantively consolidated and (ii) 30% of the distribution such holder would receive if all of the Debtors' estates were substantively consolidated, but

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[52] Consistent with this view, under the Operating Trust Agreements, the Debtors on the Effective Date will have no obligation to provide any funding with respect to any of the Operating Trusts.

[53] The United States Internal Revenue Service has stated that an organization created under Chapter 11 of the Bankruptcy Code to be a liquidating trust will be characterized as such if it meets certain requirements. In particular, the IRS requires the trustee of a liquidating trust to commit to make continuing efforts to dispose of the trust assets, make timely distributions, and not unduly prolong the duration of the trust. The Debtors state that these requirements are all incorporated into the Plan. *See generally*, Plan Article XXIV. *See also*, Rev. Proc. 94-45, 1994-2 CB 684, *amplifying and modifying* Rev. Proc. 82-58, 1982-2 CB 847, and Rev. Proc. 91-15, 1991-1 CB 484.

[54] Art. 1.262 defines Trust Interests to mean Litigation Trust Interests in the event that the Litigation Trust is created and Special Litigation Trust Interests in the event that the Special Litigation Trust is created.

notwithstanding such substantive consolidation, one-half of Allowed Guaranty Claims were included in such calculation.

The Plan provides for holders of Allowed Unsecured Claims against Enron (which includes Allowed Guaranty Claims and Allowed Intercompany Claims) to share the proceeds, if any, from numerous potential causes of action. To the extent that the Litigation Trust and Special Litigation Trust are implemented, these causes of action shall be deemed transferred to Creditors, on account of their Allowed Claims, and then be deemed to have contributed such causes of actions to either the Litigation Trust or the Special Litigation Trust, in exchange for beneficial interests in the trusts. The Debtors shall include, in the Plan Supplement, a listing of the claims and causes of action, comprising Litigation Trust Claims and Special Litigation Trust Claims, and which may be transferred to and prosecuted by the Litigation Trust and the Special Litigation Trust.

J. Remaining Assets

It is anticipated that the Reorganized Debtors will retain all assets that will not be transferred to the Litigation Trust, Special Litigation Trust, Severance Settlement Fund Trust, Operating Trusts or Operating Entities. These Remaining Assets may include, among other things, Cash, claims and causes of action against third parties on behalf of the Debtors' estates (including, but not limited to, avoidance actions), proceeds of liquidated assets, the Debtors' stock in the Enron Companies, trading contracts, equity investments, inventory, real property and other miscellaneous assets.

The Reorganized Debtor Plan Administrator, with assistance from the Reorganized Debtors, will collect and liquidate the Remaining Assets and distribute the

proceeds to Creditors pursuant to the terms of the Plan. The board of directors of the Reorganized Debtors will supervise this process.

Nonetheless, upon joint determination of the Debtors and the Creditors' Committee, the Debtors' interests in the Remaining Assets will be transferred to the holders of certain Allowed Claims, which will be held by the Debtors acting on their behalf. Immediately thereafter, on behalf of the holders of the Allowed Claims, the Debtors will transfer the assets, subject to Remaining Asset Trust Agreements, to the Remaining Asset Trusts for the benefit of the holders of the Allowed Claims in accordance with the Plan. In the event that the Debtors and the Creditors' Committee jointly determine to create the Remaining Asset Trusts on or prior to the date on which the Litigation Trust is created, interests in the Remaining Asset Trusts will be deemed to be allocated to holders of Allowed Claims at the then estimated value of Remaining Assets. The allocation of Remaining Asset Trust Interests will form part of the Plan Currency, in lieu of Creditor Cash, and Creditors holding Allowed Claims will receive distributions on account of such interests in Cash, as and when Remaining Assets are realized upon.

III. Discussion

The Debtors request Commission approval of the Plan under section 11(f) of the Act. The Debtors further seek Commission authorization under section 11(g) of the Act and related rules to disseminate the Plan, together with the Disclosure Statement, to parties of interest in order to solicit votes to approve the Plan. Applicants request that the

Commission issue a report pursuant to section 11(g) of the Act to accompany the solicitation.[55]

Section 11(f) of the Act does not provide a specific standard for the Commission to use in analyzing a plan of reorganization. Instead, in approving a plan of reorganization, the Commission must conclude that the plan meets any applicable requirements of the Act.[56] The record in this matter demonstrates that approval of the Debtors' requests would likely not be detrimental to the protected interests under the Act, *i.e.*, the public interest and the interests of investors and consumers. For the reasons discussed below, it appears that the Plan is fair to the Debtors and their respective Creditors.

The Plan Application states that the Debtors and the Creditors' Committee firmly believe that the global compromise embodied in the Plan is fair to each of the Debtors and their respective Creditors and falls within the range of reasonableness required for

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[55] Section 11(g) of the Act in pertinent part makes it unlawful for any person to solicit any consent in respect of a reorganization plan of a registered holding company or subsidiary unless the plan, containing such information as the Commission may deem necessary or appropriate in the public interest or for the protection of investors and consumers, has been submitted to the Commission; each solicitation is accompanied by a copy of a report on the plan made by the Commission after an opportunity for a hearing on the plan; and each solicitation is made not in contravention of such rules or orders as the Commission may deem necessary or appropriate in the public interest or for the protection of investors or consumers.

[56] The Commission has noted that Congress, in imposing the duty under section 11(f) to pass upon reorganizations of registered holding companies and their subsidiaries, recognized that the Commission's efforts should be coordinated with the work of the courts in reorganization cases. The objectives of the Act could not be achieved if, while the Commission was applying the standards of the Act in some cases, reorganizations could be effected through the courts without the application of such standards. *Xcel Energy, Inc.*, Holding Co. Act Release No. 27736 (Oct. 10, 2003), citing *Utilities Power and Light Co.*, 5 SEC 483, 512 (1939), quoting *Peoples Light and Power Co.*, 2 SEC 829, 844 (1937) (Comm. Healy concurring). *See also Columbia Gas Transmission Corporation*, Holding Co. Act Release No. 26361 (Aug. 25, 1995).

approval by the Bankruptcy Court. The ENA Examiner has also agreed that the global compromise is within the range of reasonableness as to the creditors of ENA and its subsidiaries, and has recommended that the ENA Creditors vote in favor of the Plan.[57]

Although the Debtors and the Creditors' Committee believe that the settlements contained in the Plan are reasonable, they also emphasize the benefits of avoiding estate-wide litigation by Creditors having conflicting interests. Specifically, they believe that, if a compromise had not been reached, the cost, delay and uncertainty attendant to litigating the complex inter-estate issues resolved by the Plan would have resulted in substantially lower recoveries for most, if not all, Creditors.

With respect to the common Plan Currency concept for all Creditors, the Debtors and the Creditors' Committee believe that this feature of the global compromise promotes efficiency without being unfair or inequitable. They note that concerns have previously been raised by certain Creditors of ENA that the filing of a joint plan involving ENA and the other Debtors would be unfair, because ENA has been in liquidation since shortly after the Initial Petition Date, and should not be unnecessarily entangled with the estates of the other Debtors, including Enron. However, the ENA Creditors would not be materially disadvantaged by the common Plan Currency feature between the estates of ENA and Enron because, as noted previously, ENA is the single largest Creditor of Enron and its intercompany claim against Enron is ENA's single largest asset. Thus, distributions to ENA Creditors necessarily depend in large part on what ENA recovers on its Intercompany Claim against Enron. Similarly, Enron's intercompany claims against

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[57] The ENA Examiner has stated that the settlement contained in the Plan is reasonable and that the treatment of the Creditors of ENA and its subsidiaries is fair and reasonable.

Enron Power Marketing, Inc. and numerous other Debtors would result in assets of such other Debtors being transferred to Enron for further distribution to Enron's Creditors, including ENA. Thus, while it is an integral feature of the global compromise, the common Plan Currency feature of the Plan is also justifiable for many of the Debtors because of the way in which value is transferred through intercompany claims. In any event, based on the Debtors' current estimates of asset values and Allowed Claims, Plan Currency is expected to be approximately two-thirds in the form of Creditor Cash and approximately one-third in the form of Plan Securities.

As noted above, the Plan is constructed to conform to the provisions of section 1129 of the Bankruptcy Code. As such, it adheres to the dictates of the "absolute priority" provisions of the Bankruptcy Code and applicable law. Although current valuations of the Debtors' assets do not indicate that a distribution will be made to the Debtors' preferred and common interest holders, the Plan does provide that, if (i) asset sales yield proceeds greater than currently projected, and if (ii) recoveries associated with the resolution of litigation (including, without limitation, the subordination, waiver or disallowance of claims as a result of the Litigation Claims and the Special Litigation Claims) are at a level that Creditors shall have received distributions which, in the aggregate, are equal to 100% of their Claims, the Plan shall be modified to provide for distributions to preferred and common interest holders. In addition, the Plan does not affect in any manner the recoveries that public bondholders and equity interest holders may receive as a result of pending class actions or other third party actions or with

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Accordingly, the ENA Examiner endorses a vote by the Creditors in favor of the Plan and supports its confirmation.

respect to the funds that have been recovered by the Commission for the benefit of such entities and individuals.[58]

The Plan does not otherwise contravene the requirements of the Act. The Commission is today approving the Omnibus Application described above in section I., B., *supra*, of this order. That application supplements the Plan Application and seeks sufficient authorization under the Act, among other things, to implement the Plan and to conduct business within the parameters specified in the application, pending the confirmation and full implementation of the Plan. As discussed in the companion order, the requested authorizations satisfy the requirements of the Act and do not appear to be detrimental to the public interest and the interest of consumers.

IV. Conclusion

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

Applicants state that fees, commissions and expenses in the estimated amount of $200,000 are expected to be incurred in connection with the Plan Application.[59] In addition, the Applicants have incurred and will incur fees and expenses related to the

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[58] *See* Section 42.4 of the Plan.

[59] Applicants state that professional fees incurred in their chapter 11 cases, even without such estate-wide litigation, have been approximately $330 million per year. As of December 23, 2003, the Bankruptcy Court had provided interim approval for approximately $271 million in professional fees. Under rule 63 under the Act, the Commission shall approve the "maximum amount" of fees that can be incurred by a registered holding company and its subsidiaries in a bankruptcy proceeding, but carves out from that requirement "any payments approved by a court … in any proceeding in which the Commission has filed a notice of appearance…." The Commission's appearance in this case has eliminated its obligation to approve the fees, which are subject to review by the Bankruptcy Court.

ongoing Chapter 11 Cases and expenses related to the consummation of the transactions contemplated in the Plan. Pursuant to rule 63, these fees are not subject to Commission approval.

Due notice of the filing of the Application has been given in the manner prescribed in rule 23 under the Act, and no hearing has been requested of or ordered by the Commission. Upon the basis of the facts in the record, it is hereby found that the applicable standards of the Act and rules under the Act are satisfied, and that no adverse findings are necessary.

IT IS ORDERED, under the applicable provisions of the Act and rules under the Act, that the Application, as amended, be granted and permitted to become effective immediately, subject to the terms and conditions prescribed in rule 24 under the Act. Further, because certain contemplated transactions may be accomplished over a period of time after this order is issued, authorization is granted to implement the proposed transactions as described in the Application (except for those authorizations that are the subject of the Omnibus Application in SEC File No. 70-10200).

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 Omnibus Application.

By the Commission.

Jill M. Peterson
Assistant Secretary

ATTACHMENT 1

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	Disclosure Statement: A-12

	equitable remedy is reduced to judgment, fixed, contingent, matured, 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 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.	Disclosure Statement: A-16
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	Disclosure Statement: A-22

by the Bankruptcy Court and set forth in the Confirmation Order.

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 determined by a final order.	Disclosure Statement: A-23
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	Disclosure Statement: A-22

	respect to all or any portion of any Disputed Claim pending the entire resolution thereof by final order.	
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 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.	Disclosure Statement: A-29
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 reimbursement.	Disclosure Statement: A-41
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 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.	Portland General Credit Agreement
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 Claim	An unsecured Claim, other than a Guaranty Claim, or an Intercompany Claim.	Disclosure 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	Disclosure Statement: A-

	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.	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 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.	Disclosure Statement: A-54
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	Disclosure

	the Reorganized Debtors.	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 interests in CrossCountry pursuant to the CrossCountry Contribution and Separation Agreement.	Disclosure Statement: A-62
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	Disclosure Statement: A-63

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 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	Disclosure Statement: A-66

	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.	
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 Separation Agreement	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-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	Disclosure Statement: A-67

	creation of Prisma, and to which Entity shall be conveyed one hundred percent (100%) of the Prisma Common Stock.	
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 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.	Disclosure Statement: A-69
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	The respective by-laws of the Reorganized Debtors, including	Disclosure

Debtors By-laws	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.	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 agents, Citicorp, as paying agent, and JPMCB, as collateral agent.	Disclosure Statement: A-72
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	Disclosure Statement: A-73

	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.	
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 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.	Disclosure Statement: A-76
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	Disclosure Statement: A-

	(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.	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 Claim, a Subordinated Claim, or a Convenience Claim.	Disclosure Statement: A-81