

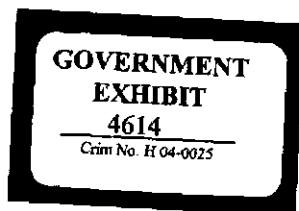
Finance Committee Meeting

October 8, 2001

| Committee Members |

Mr. Herbert S. Winokur, Jr., Chairman
Mr. Robert A. Belfer
Mr. Norman P. Blake, Jr.
Mr. Ronnie C. Chan
Mr. Paulo V. Ferraz Pereira
Mr. Frank Savage

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Herbert S. Winokur, Jr., Chairman
Robert A. Belfer
Norman P. Blake, Jr.
Ronnie C. Chan
Paulo V. Ferraz Pereira
Frank Savage

AGENDA

Meeting of the Finance Committee of the Board of Directors of Enron Corp.

4:00 p.m. (CDT), October 8, 2001
50th Floor Boardroom, Enron Building
Houston, Texas

		Page
✓ 1. Approval of August 13, 2001 Finance Committee Minutes	Mr. Winokur	1-1
✓ 2. Chief Financial Officer Report	Mr. Fastow	2-1
✓ 3. Treasurer Report	Mr. Glisan	3-1
4. Chief Risk Officer Report	Mr. Buy	4-1
Quarterly Risk Update		
- Audit & Compliance and Finance Committee Roles		4-2
- Trade Credit Update		4-4
- Market Risk Update		4-15
- Post Transaction Reviews		4-26
5. Projects and Amendments		5-1
A) Revision to the Risk Management Policy	Mr. Buy	5A-1
- Approve for Recommendation to the Board		
B) Project Southwood	Mr. McMahon	5B-1
- Approve for Recommendation to the Board		
6. Other Business		6-1
7. Adjourn		7-1



See Addendum for Deal Approval Sheets approved between Board meetings

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Enron Corp.
Finance Committee Minutes
from August 13, 2001 meeting

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**MINUTES
MEETING OF THE FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
ENRON CORP.
AUGUST 13, 2001**

Minutes of a meeting of the Finance Committee ("Committee") of the Board of Directors of Enron Corp. ("Company"), noticed to begin at 5:00 p.m. C.D.T., but actually begun at 5:50 p.m., C.D.T., at the Enron Building in Houston, Texas.

All of the Committee members were present as follows:

Mr. Herbert S. Winokur, Jr., Chairman
Mr. Robert A. Belfer
Mr. Norman P. Blake, Jr.
Mr. Ronnie C. Chan
Mr. Paulo V. Ferraz Pereira
Mr. Frank Savage

Directors John H. Duncan and Kenneth L. Lay, Messrs. William S. Bradford, Richard B. Buy, Richard A. Causey, Timothy A. DeSpain, Andrew S. Fastow, Ben F. Glisan, Jr., David G. Gorte, Mark E. Koenig, and Theodore R. Murphy, and Ms. Rebecca C. Carter, all of the Company or affiliates thereof, also attended the meeting. Director Jeffrey K. Skilling and Mr. Richard N. Foster, of McKinsey & Company, Inc, joined the meeting in progress as noted below.

The Chairman, Mr. Winokur, presided at the meeting, and the Secretary, Ms. Carter, recorded the proceedings.

Mr. Winokur called the meeting to order, noted that a draft of the minutes of the meeting of the Committee held on April 30, 2001 had been distributed to the Committee members, and called for any corrections or additions. There being none, upon motion duly made by Mr. Savage, seconded by Mr. Chan, and carried, the minutes of the meeting of the Committee held on April 30, 2001 were approved as distributed.

Mr. Winokur called upon Mr. Fastow to present the Chief Financial Officer's report, a copy of which is filed with the records of the meeting.

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Mr. Fastow discussed total return swaps that had been completed in June and July and noted that the ending balance shown in the presentation materials did not reflect recent activity, which had led to an ending balance of zero. He also reviewed recent treasury stock purchase activity. He then presented a chart depicting the Company's interest rate exposure in different areas and noted the dollar amounts at fixed and at floating interest rates. He stated that the chart now reflected all elements of the balance sheet, and while the overall amount had increased, the fixed-floating ratio remained fairly constant. He then discussed other asset monetizations.

Mr. Fastow then noted that the Company was diversifying its funding sources and compared the percentage of funding the Company had received from banks, U.S. capital markets, and non-U.S. capital markets over the last three and one-half years. He then commented on the Company's liquidity and net margin activity.

Messrs. Foster and Skilling joined the meeting.

Mr. Fastow then presented a summary of the status of asset dispositions. He stated that the new accounting rules relating to goodwill could impact the Company's debt to total capital ratio and commented that the Company would be closely monitoring the sale of assets and the impact on the ratio.

Mr. Winokur called upon Mr. Glisan to present the Treasurer Report, a copy of which is filed with the records of the meeting. Mr. Glisan reviewed the Company's active letters of credit and discussed the changes since year end. He presented the Company's guarantee portfolio as of June 30, 2001 and noted that guarantees continued to increase due to the significant increase in activity by the Wholesale group. He then presented the liquidity forecast and commented on the sources and uses of funds. He reviewed the Company's key financial ratios and noted that the Company was on target to meet the year end goals. He then discussed the Company's ratings by the rating agencies and provided comments on the views of each of the agencies.

Mr. Winokur called upon Mr. Buy to present the Chief Risk Officer's report, a copy of which is filed with the records of the meeting. Mr. Buy stated that he would only be reviewing the overall portfolio summary and that he would be available to answer any questions on the other material provided in the report. He stated that the Risk Assessment and Control group had expanded the portfolio summary to include additional

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international assets. He then reviewed the assets in each of the four performance categories, comprised of exceeding expectations, meeting expectations, below expectations, and troubled. Mr. Skilling joined him in answering questions from the Board regarding the assets in the troubled category.

Mr. Winokur called upon Mr. Glisan to discuss a proposed resolution relating to brokerage account authorizations. Mr. Glisan discussed the proposed resolution and following a discussion, upon motion duly made by Mr. Savage, seconded by Mr. Ferraz Pereira, and carried, the proposed resolution relating to brokerage account authorizations, as presented at the meeting, was approved for recommendation to the Board.

There being no further business to come before the Committee, the meeting was adjourned at 6:20 p.m. C.D.T.

Secretary

APPROVED:

Chairman

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