

SCHEDULE 1

EC004397449

**CODE OF BUSINESS CONDUCT: GENERAL POLICY
REGARDING LAWS AND BUSINESS CONDUCT**

Purpose:

The Corporate Policies constituting the Code of Business Conduct of Enron Corp. govern the conduct of business by Enron Corp. and its Affiliates (the "Company"). The purpose of this Corporate Policy is (a) to provide a general statement regarding the Company's expectations as to the legal and ethical nature of conduct of the Company's employees and agents while acting on the Company's behalf and (b) to provide for the administration of the Company's Code of Business Conduct. This Corporate Policy is intended to enhance the qualifications of the Code of Business Conduct as part of a program that, under Chapter 8 of the United States Sentencing Guidelines (the "Sentencing Guidelines"), is reasonably designed, implemented and enforced so as to be generally effective in preventing and detecting criminal conduct.

Definitions:

As used in this Corporate Policy:

"Affiliates" means each entity controlled by Enron Corp. or with respect to which Enron Corp. (or entities controlled by it) provide management or administrative services, where control means the power to direct the management and policies of an entity, whether through the ownership of voting securities or otherwise.

"Code of Business Conduct" consists of all the Corporate Policies adopted by the Board of Directors of Enron Corp. that relate to the legal and ethical standards of conduct of employees and agents of the Company and all Corporate Policies approved by the General Counsel of Enron Corp. or the Operating Group, as applicable.

"Enron Compliance Officer" means the Chairman and Chief Executive Officer of Enron Corp. or such other person or persons within the High-Level Personnel of Enron Corp. as shall be designated from time to time by the Board of Directors of Enron Corp.

"High-Level Personnel" means individuals who have substantial control over Enron Corp. or an Operating Group or who have a substantial role in policy-making within Enron Corp. or an Operating Group, including directors, executive officers and individuals in charge of a major business or functional unit of Enron Corp. or an Operating Group, such as sales, administration or finance.

"Operating Group" means a group of one or more subsidiaries or divisions of the Company, as shall be designated from time to time by the Management Committee of Enron Corp. as constituting a separately-managed line of business.

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