



**Enron Corp.**  
P.O. Box 1188  
Houston, TX 77251-1188  
(713) 853-6161

May 15, 2001

Arthur Andersen  
711 Louisiana, Suite 1300  
Houston, Texas 77002

We are providing this letter in connection with your review of the condensed consolidated financial statements of Enron Corp. and subsidiaries (Enron or the Company) as of March 31, 2001 and for the three months then ended to be included in the Company's Form 10-Q quarterly report to be filed with the Securities and Exchange Commission (SEC).

We confirm, to the best of our knowledge and belief as of the date of this letter, the following representations made to you during your review.

1. Enron management is responsible for the fair presentation of the financial statements referred to above.
2. The financial statements to be included in the Form 10-Q are fairly presented, in accordance with U.S. generally accepted accounting principles, on a basis consistent with that of the audited financial statements as of December 31, 2000, except that we adopted FASB statement 133, Accounting for Derivative Instruments and Hedging Activity, as of January 1, 2001.
3. The financial statements to be included in the quarterly report on Form 10-Q comply as to form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 and the related rules and regulations adopted by the SEC, and they are presented on a basis consistent with that of the audited financial statements as of December 31, 2000, except that we adopted FASB statement 133, Accounting for Derivative Instruments and Hedging Activity, as of January 1, 2001.
4. Certain information and footnote disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, but the disclosures are adequate to make the information presented not misleading.
5. We have made available to you all financial records and related data.
6. We believe that all material expenditures that have been deferred to future periods will be recoverable.
7. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements and guarantees (whether written or oral), and amounts receivable from or payable to related parties have been properly recorded and disclosed in the financial statements and the terms of the transactions were reasonable and are representative of terms that would be negotiated with unrelated third parties.

**GOVERNMENT  
EXHIBIT**  
5002  
Crim No. H-04-0025

**EC 000040807**

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8. The accounting records underlying the financial statements accurately and fairly reflect, in reasonable detail, the transactions of Enron.
9. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
10. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
11. You have brought to our attention misstatements which remain uncorrected at March 31, 2001 and which are summarized in the accompanying schedule. The effects of those misstatements are not material, both individually and in the aggregate, to the financial statements taken as a whole.
12. There has been no:
  - a. Fraud involving management or employees who have significant roles in internal control
  - b. Fraud involving others that could have a material effect on the financial statements
13. Enron has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
14. While we are currently marketing or considering selling certain assets and investments in consolidated and unconsolidated subsidiaries, Enron has not committed to a formal plan, as defined in APB Opinion No. 30, of disposition of any such assets, except as disclosed in the consolidated financial statements. Any ultimate dispositions will be dependent on various factors including the ability to negotiate favorable sales terms.
15. The following have been properly recorded or disclosed in the financial statements:
  - a. Capital stock repurchase options or agreements or capital stock reserved for options, warrants, conversions or other requirements.
  - b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines-of-credit or similar arrangements.
  - c. Deferred income taxes based upon tax planning strategies which Enron currently expects to utilize.
  - d. Agreements to repurchase assets previously sold.
  - e. Guarantees, whether written or oral, under which the Company is contingently liable.
  - f. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, "Disclosure of Certain Significant Risks and Uncertainties" (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)
  - g. Provision for any material loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments.

