



Enron Corp.
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February 23, 2001

Arthur Andersen LLP
711 Louisiana, Suite 1300
Houston, TX 77002

Gentlemen:

We are providing this letter in connection with 1) your audit of the consolidated balance sheet of Enron Corp. and subsidiaries ("Enron" or the "Company") as of December 31, 2000 and 1999, and the related consolidated statements of income, comprehensive income, cash flows and changes in shareholder's equity for each of the three years in the period ended December 31, 2000, for the purpose of expressing an opinion as to whether those financial statements present fairly in all material respects, the financial position, results of operations, and cash flows and changes in shareholders' equity of Enron in conformity with accounting principles generally accepted in the United States, and 2) your examination of management's assertions that the system of internal control of Enron for the year ended December 31, 2000, was adequate to provide reasonable assurance as to the reliability of the financial statements and the protection of assets from unauthorized acquisition, use or disposition, 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 audit and examination.

1. We are responsible for the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. We are responsible for establishing and maintaining Enron's system of internal control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related cost of controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.
3. We have performed an evaluation of the effectiveness of Enron's system of internal control at December 31, 2000 with respect to the preparation of reliable financial statements and the protection of assets from unauthorized acquisition, use or disposition, based upon current standards of control criteria.
4. We believe that Enron's system of internal control was adequate at December 31, 2000 to provide reasonable assurance as to the reliability of financial statements and the protection of assets against unauthorized use or disposition.

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**GOVERNMENT
EXHIBIT**
5003
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5. There are no significant deficiencies in the design or operation of Enron's internal control system which could adversely affect Enron's ability to record, process, summarize and report financial data and protect assets from unauthorized acquisition, use or disposition.
6. Subsequent to December 31, 2000, there have not been any changes in Enron's system of internal control or other factors that might significantly affect the system of internal control over reliable financial statements and safeguarding of assets, including any corrective action taken by us with regard to material weaknesses.
7. We have made available to you all financial records and related data.
8. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, except as disclosed in the footnotes to the financial statements.
9. 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.
10. The accounting records underlying the financial statements accurately and fairly reflect, in reasonable detail, the transactions of Enron.
11. We have read Enron's financial statements included in the December 31, 2000 Annual Report and Form 8-K, and hereby reaffirm all statements and representations made therein.
12. Related party transactions, including sales, purchases, loans, transfers, leasing arrangements and guarantees (both oral and written), 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.
13. 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.

