

Enron Corporation Conference Call

Date: 11/14/2001

KLH/ewb - Revised 1/11/2006

KOENIG - MARK KOENIG  
LAY - KEN LAY  
WHALLEY - GREG WHALLEY  
MCMAHON - JEFF MCMAHON  
MAZE - WILLIAM MAZE  
FEYGIN - ANATOL FEYGIN  
BARONE - RON BARONE  
MORTON - BEN MORTON  
CAUSEY - RICK CAUSEY  
TICE - PAUL TICE  
FERGUSON - JIM FERGUSON  
FLEISCHER - DAVID FLEISCHER  
EASSEY - DONATO EASSEY  
BOWEN - RAY BOWEN  
DONOVAN - BRAD DONOVAN  
OPERATOR - Unknown Female  
UI - Unintelligible

**(BEGINNING OF SESSION ON 11/14/2001)**

1 OPERATOR - Good morning everyone, and welcome to the ENRON investor update  
2 conference call. Today's call is being recorded. At this time I would like  
3 to turn the call over to the, Vice, Executive Vice President of Investor  
4 Relations, Mr. MARK KOENIG. Please go ahead sir.

5 KOENIG - Thank you. Uh, before I introduce KEN I'd just like to remind everybody  
6 the call does include, uh, this call will include forward-looking statements  
7 within the meaning of several sections of various Securities Acts of 1933  
8 and 1934. The statements are not historical facts but do reflect ENRON's  
9 current expectations, estimates, and projections. All the statements  
10 contained in the call which address the future operating performance,  
11 events, or developments that are expected to occur in the future are  
12 forward-looking statements. Although we believe that the expectations are  
13 based on reasonable assumptions, we can give no assurance, of course,  
14 that these goals, will be achieved. Uh, important factors that could cause  
15 results to differ materially from those in the statements include the  
16 development of, uh, retail and wholesale natural gas markets, and of  
17 course the receipt of regulatory approvals and customary closing

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1 conditions on PORTLAND GENERAL and conditions in the capital  
2 markets and equity markets. At this time, I'd like to turn it over to KEN.  
3 LAY - Thank you MARK. Uh, good morning, this is KEN LAY. Uh, with me  
4 today are GREG WHALLEY, President and Chief Operating Officer of  
5 ENRON, uh, JEFF MCMAHON, Executive Vice President and Chief  
6 Financial Officer, of course, MARK KOENIG, uh, Executive Vice  
7 President of Investor Relations, uh, RAY BOWEN, Executive Vice  
8 President, Finance and Treasurer, and RICK CAUSEY, Executive Vice  
9 President and Chief Accounting Officer. Uh, thank you for joining us on  
10 the call and webcast today. Uh, we want to take this opportunity to provide  
11 you with an update on the status of the company, and respond to any  
12 questions you have about our business. On Monday we held a conference  
13 call to discuss the signing of a definitive merger agreement with  
14 DYNEGY. We're excited about the opportunities of the new combined  
15 company. Uh, the purpose of today's call is to tell you about activities and  
16 concerns, uh, directly pertaining to ENRON. First of all, let me say that I  
17 could not have ever contemplated the events we as a company, and you as  
18 a stakeholder have faced over the last few weeks. The ENRON  
19 management team is focused on protecting the investment for all investors,  
20 and stockholders, bondholders, banks, and other creditors, including

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1 trading counterparties. To maximize the return for all investors, our focus  
2 remains on our cred, credit quality and liquidity, which are paramount to  
3 the continued success and expansion of our wholesale business activities.  
4 We believe we've taken many important steps to address many of the  
5 recent concerns in the marketplace. Uh, before we discuss those steps, let  
6 me provide you with my perspective on how we got, uh, to where we are  
7 today. In hindsight, we made some very bad investments in non-core  
8 businesses. Our investments in various international assests such as  
9 AZURIX, India, and Brazil, to name a few, have performed far worse than  
10 we could ever have imagined when we made these investments. Because  
11 of these investments and other matters, uh, ENRON became over-levered.  
12 While the poor performance of our investments was bad enough, uh, the  
13 negative impact of these investments on the company have been  
14 exasperbated through the extensive use of debt capital both on and off the  
15 balance sheet. Uh, we entered into related party transactions that produced  
16 various conflicts of, of interest, both real and perceived. Although we put  
17 in place significant, uh, safeguards to protect ENRON and its stakeholders,  
18 investors still perceived conflicts, and the loss of investor confidence from  
19 these transactions has been very damaging. We've been criticized  
20 regarding the breakdown of the results of our various business activities as

