

the SEC or otherwise becomes effective pursuant to section 11A of the Act and Rule 11Aa3-2. The BSE has submitted a signed copy of the OLPP to the Commission in accordance with the procedures set forth in the OLPP regarding new Plan Sponsors.

II. Effectiveness of the Proposed OLPP Amendment

The foregoing proposed OLPP amendment has become effective pursuant to Rule 11Aa3-2(c)(3)(iii)⁶ because it involves solely a technical or ministerial matter. At any time within sixty days of the filing of this amendment, the Commission may summarily abrogate the amendment and require that it be refiled pursuant to paragraphs (b)(1) and (c)(2) of Rule 11Aa3-2,⁷ if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed amendment is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. 4-443. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hard copy or by e-mail but not by both methods. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed amendment that are filed with the Commission, and all written communications relating to the proposed amendment between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at

the principal office of BSE. All submissions should refer to File No. 4-443 and should be submitted by March 15, 2004.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04-3030 Filed 2-11-04; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: 69 FR 6007, February 9, 2004.

STATUS: Closed meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING: Wednesday, February 11, 2004, at 12:30 p.m.

CHANGE IN THE MEETING: Time change.

The closed meeting scheduled for Wednesday, February 11, 2004, at 12:30 p.m. has been changed to Wednesday, February 11, 2004, at 9 a.m.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 942-7070.

Dated: February 10, 2004.

Jonathan G. Katz,

Secretary.

[FR Doc. 04-3191 Filed 2-10-04; 10:49 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27799]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

February 6, 2004.

Notice is hereby given that the following filing(s) has/have been made with the Commission under provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/

are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by February 27, 2004, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After February 27, 2004 the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Enron Corp., et al. (70-10200)

Enron Corp. ("Enron" or "Applicant"), 1400 Smith Street, Houston, Texas 77002-7361, a public utility holding company, on its behalf and on behalf of its subsidiaries held as of the date of this notice, including Portland General Electric Company ("Portland General"), 121 Salmon Street, Portland, Oregon 97204, a public utility company (collectively, "Applicants"),¹ have filed an application-declaration ("Application") with the Commission under sections 6(a), 7, 9(a), 10, 12, 13 of the Act and rules 16, 42-46, 52-53, 54, 80-87, 90-91 under the Act.

I. Introduction

Enron is a public utility holding company within the meaning of the Act by reason of its ownership of all of the outstanding voting securities of Portland General, an Oregon electric public utility company. From 1985 through mid-2001, Enron grew from a domestic natural gas pipeline company into a large global natural gas and power company. Headquartered in Houston, Texas, Enron and its subsidiaries historically provided products and services related to natural gas, electricity, and communications to wholesale and retail customers. As of December 2001, the Enron companies employed approximately 32,000 individuals worldwide. The Enron companies were principally engaged in (a) The marketing of natural gas, electricity and other commodities, and

⁶ 17 CFR 240.11Aa3-2(c)(3)(iii).

⁷ 17 CFR 240.11Aa3-2(b)(1) and (c)(2).

⁸ 17 CFR 200.30-3(a)(29).

¹ Applicants include both debtor and non-debtor subsidiaries of Enron.

related risk management and finance services worldwide, (b) the delivery and management of energy commodities and capabilities to end-use retail customers in the industrial and commercial business sectors, (c) the generation, transmission, and distribution of electricity to markets in the northwestern United States, (d) the transportation of natural gas through pipelines to markets throughout the United States, and (e) the development, construction, and operation of power plants, pipelines, and other energy-related assets worldwide.

In the last quarter of 2001, the Enron companies lost access to the capital markets, both debt and equity, and had insufficient liquidity and financial resources to satisfy their current financial obligations. On December 2, 2001, Enron and certain of its subsidiaries each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). As of today, one hundred eighty (180) Enron-related entities have filed voluntary petitions. Under sections 1107 and 1108 of the Bankruptcy Code, the Enron and its subsidiaries that have filed voluntary petitions ("Debtors") continue to operate their businesses and manage their properties as debtors in possession. Portland General, Enron's sole public utility subsidiary company, has not filed a voluntary petition under the Bankruptcy Code and is not in bankruptcy. Likewise, many other Enron companies that are operating companies have not filed bankruptcy petitions and continue to operate their businesses.

The Debtors have been engaged, since the commencement of the chapter 11 cases, in the rehabilitation and disposition of their assets to satisfy the claims of creditors. The Debtors have been consolidating, selling businesses and assets, dissolving entities and simplifying their complex corporate structure. The Debtors also have been involved in the settlement of numerous contracts related to wholesale and retail trading of various commodities. The Debtors are holding cash from prior sales pending distribution under a chapter 11 plan and are positioning other assets for sale or other disposition. In this process, hundreds of corporations have been or will be liquidated. Eventually, substantially all of the Debtors, including Enron, will be liquidated.

The Debtors have worked with the Official Committee of Unsecured

creditors appointed in the Debtors' chapter 11 cases (the "Creditors' Committee"), the examiner appointed by the Bankruptcy Court with respect to the chapter 11 case of Enron North America Corp. and individual creditor groups to formulate a chapter 11 plan. On July 11, 2003, the Debtors filed a joint chapter 11 plan and a related disclosure statement which documents were subsequently amended several times. On January 12, 2004, the Debtors filed a fifth amended plan (the "Plan") and a related amended disclosure statement with the Bankruptcy Court.² A hearing to consider the adequacy of the information contained in the disclosure statement was held commencing on January 6, 2004. On January 9, 2004, the Bankruptcy Court issued two orders approving the disclosure statement for the Plan, establishing voting procedures, and ordering the solicitation of votes approving or rejecting the Plan.

The Plan provides for the appointment of a Reorganized Debtor Plan Administrator ("Administrator") on the Effective Date for the purpose of carrying out the provisions of the Plan. Under the Plan, the Administrator would be Stephen Forbes Cooper, LLC, an entity headed by Stephen Forbes Cooper, Enron's Acting President, Acting Chief Executive Officer, and Chief Restructuring Officer. In accordance with the Plan, the Administrator shall be responsible for implementing the distribution of the assets in the Debtors' estates to the creditors, including, without limitation, the divestiture of Portland General common stock or the sale of that stock followed by the distribution of the proceeds to the Debtors' creditors and, possibly, equity interest holders. In addition, pursuant to the Plan, as of the Effective Date, the Reorganized Debtors will assist the Administrator in performing the following activities: (a) Holding the Operating Entities, including Portland General, for the benefit of creditors and providing certain transition services to such entities, (b) liquidating the Remaining Assets, (c) making distributions to creditors pursuant to the terms of the Plan, (d) prosecuting Claim objections and litigation, (e) winding up the Debtors' business affairs, and (f) otherwise implementing and effectuating the terms and provisions of the Plan.

² The Plan and related disclosure statement are available at www.enron.com and are included as exhibits to this Application. Unless defined in the text of this Application, all capitalized terms used in this notice follow definitions specified in the Plan.

In a companion filing with the Commission ("Plan Application"), Applicants request an order: (i) Approving the Plan under section 11(f) of the Act; (ii) issuing a report on the Plan under section 11(g) of the Act; and (iii) authorizing Debtors under rules 60 and 62-64 to continue the Bankruptcy Court's authorized solicitation of votes of the Debtors' creditors for acceptances or rejections of the Plan and to make available to creditors a report on the Plan, as prescribed in section 11(g) of the Act.³

II. Requested Authority

Enron has entered into an agreement to sell its only public utility subsidiary company, Portland General. The Plan also provides that Portland General would be sold or, in the event such transaction cannot be consummated, distributed to creditors and, in certain circumstances, equity interest holders⁴ as soon as requisite consents can be obtained and, as a possible intermediate step, the common stock of Portland General may be contributed to a trust ("PGE Trust"),⁵ that may be formed by December 31, 2004. Upon (i) the sale of Portland General, (ii) the distribution of the shares of Portland General to creditors, or (iii) the contribution of the Portland General common stock to the PGE Trust, it is anticipated that Enron would deregister as a holding company under the Act. Accordingly, this application seeks authorization for the proposed transactions through the earlier of the deregistration of Enron and July 31, 2005 ("Authorization Period"). Generally, Applicants request authority for certain financing, nonutility corporate reorganizations, dividends, affiliate sales of goods and services and other transactions described below to

³ SEC File No. 70-10199, filed February 6, 2004.

⁴ Applicants submit that, in accordance with existing projections, existing Enron common stock and preferred stock are highly unlikely to receive any distributions pursuant to the Plan. However, the Plan provides Enron stockholders with a contingent right to receive a recovery in the event that the total amount of Enron's assets, including recoveries in association with litigation and the subordination, waiver or disallowance of Claims in connection therewith, exceeds the total amount of Allowed Claims against Enron. No distributions will be made in accordance with the Plan to holders of equity interests unless and until all unsecured claims are fully satisfied.

⁵ There may be an adjustment in the number of Portland common shares prior to contribution to the PGE Trust and in all events prior to distribution to creditors. If the Portland General common stock is distributed to creditors rather than sold as described in this Application, it is intended that the current Portland General shares of common stock will be canceled and 80 million shares of new Portland General common stock will be authorized and approximately 62.5 million shares issued pursuant to the Plan, in each case, representing 100% of the common equity of Portland General.

allow Enron and its subsidiaries to continue to operate their businesses as both debtors in possession in bankruptcy and non-debtors.

A. *Prisma*

Prisma Energy International Inc. ("Prisma"), a Cayman Islands limited liability company, was organized on June 24, 2003, for the purpose of acquiring the Prisma Assets, which include equity interests in certain international energy infrastructure businesses that are indirectly owned by Enron and certain of its affiliates, intercompany loans to the businesses held by affiliates of Enron, and contractual rights held by affiliates of Enron. Enron and its affiliates will contribute the Prisma Assets to Prisma in exchange for shares of Prisma Common Stock commensurate with the value of the Prisma Assets contributed.

Prisma, Enron, and its affiliates also expect to enter into certain ancillary agreements, which may include a new Transition Services Agreement, a tax allocation agreement ("Prisma Tax Allocation Agreement") and a Cross License Agreement. The employees of Enron and its affiliates who have been supervising and managing the Prisma Assets since December 2001, became employees of a subsidiary of Prisma effective on or about July 31, 2003. In connection therewith, as approved by the Bankruptcy Court, Enron and its affiliates entered into four separate Transition Services Agreements pursuant to which such employees will continue to supervise and manage the Prisma Assets and other international assets and interests owned or operated by Enron and its affiliates. The ancillary agreements, together with the Prisma Contribution and Separation Agreement, will govern the relationship between Prisma and Enron and its affiliates subsequent to the contribution of the Prisma Assets, provide for the performance of certain interim services, and define other rights and obligations until the distribution of shares of capital stock of Prisma pursuant to the Plan or the sale of the stock to a third party. In addition, the Prisma Contribution and Separation Agreement or the ancillary agreements are expected to set forth certain shareholder protection provisions with respect to Prisma and may contain indemnification obligations of the Prisma Enron Parties.

Applicants intend that Prisma will certify as a foreign utility company ("FUCO") under section 33 of the Act prior to the transfer of the businesses described above to Prisma. Applicants state that certain indemnification

agreements between Enron group⁶ companies in connection with the contribution of the Prisma Assets would constitute the extension of credit among associate companies and require Commission authorization under section 12(b) of the Act and rule 45(a) under the Act. In addition, Applicants state that the Prisma Tax Allocation Agreement to be entered into among Prisma and its subsidiaries and Enron would comply with the requirements of rule 45(c) under the Act in all material respects, except that it would permit Enron to receive payment from the subsidiaries filing jointly with Enron for the value of any net operating losses or other tax attributes that resulted in a reduction in the consolidated tax, ratably with any other Enron subsidiary also contributing such tax benefits to the consolidated tax group. Accordingly, Applicants seek authorization to enter into indemnification agreements and the Tax Allocation Agreement in connection with the formation of Prisma as authorized by the Bankruptcy Court and as described above.

B. *Cross Country*

CrossCountry was incorporated in the State of Delaware on May 22, 2003. On June 24, 2003, CrossCountry and the CrossCountry Enron Parties entered into the original CrossCountry Contribution and Separation Agreement providing for the contribution of Enron's direct and indirect interests in its interstate pipelines and other related assets to CrossCountry. On September 25, 2003, the Bankruptcy Court issued an order approving the transfer of the pipeline interests and the related assets from the CrossCountry Enron Parties to CrossCountry and other related transactions, pursuant to the original CrossCountry Contribution and Separation Agreement. That order contemplates that the parties may make certain modifications to the original Contribution and Separation Agreement. The parties have negotiated an Amended and Restated Contribution and Separation Agreement that incorporates certain changes to the original Contribution and Separation Agreement including the substitution of CrossCountry Energy LLC ("CrossCountry LLC") in place of CrossCountry as the holding company owning the pipeline interests.

Pursuant to the Amended and Restated Contribution and Separation Agreement, Enron and certain of its affiliates will contribute their ownership interests in certain gas transmission

pipeline businesses and certain nonutility service companies to CrossCountry LLC in exchange for equity interests in CrossCountry LLC. The closing of the transactions contemplated by the Amended and Restated Contribution and Separation Agreement is expected to occur as soon as possible. It is anticipated that, following confirmation of the Plan and prior to the CrossCountry Distribution Date, the equity interests in CrossCountry LLC will be exchanged for equity interests in CrossCountry Distributing Company in the CrossCountry transaction. As a result of the CrossCountry transaction, CrossCountry Distributing Company will obtain direct or indirect ownership in the Pipeline Businesses and certain service companies described below.

Applicants state that the agreements among companies in the Enron group to indemnify other Enron group companies in connection with the contribution of these businesses and the financing of the CrossCountry entities constitute extensions of credit among associate companies under section 12(b) of the Act and rule 45(a) under the Act. In addition, the Amended and Restated Contribution and Separation Agreement contemplates that a tax allocation agreement ("CrossCountry Tax Allocation Agreement") would be entered into among CrossCountry and its subsidiaries and Enron. Applicants state that the CrossCountry Tax Allocation Agreement would comply with the requirements of rule 45(c) under the Act in all material respects, except that it would permit Enron to receive payment from the subsidiaries filing jointly with Enron for the value of any net operating losses or other tax attributes that resulted in a reduction in the consolidated tax, ratably with any other Enron subsidiary also contributing such tax benefits to the consolidated tax group.

Therefore, Applicants seek authorization to enter into the CrossCountry transaction consistent with the authorization granted by the Bankruptcy Court and with the terms and conditions of the Amended and Restated Contribution and Separation Agreement, including, but not limited to, the indemnification agreements, the Tax Allocation Agreement, and related financing transactions in connection with the formation of CrossCountry as authorized by the Bankruptcy Court and as described above.

⁶ "Enron group" includes all of Enron's subsidiaries, whether or not they are Debtors.

C. Other Financing Transactions

1. Debtor-in Possession ("DIP") Financing Arrangements

Enron has four letters of credit outstanding under the Second Amended DIP Credit Agreement in the approximate aggregate amount of \$24.5 million. Applicants seek Commission authorization to continue to obtain letters of credit, or to extend the maturity of previously issued letters of credit, up to an aggregate amount of \$150 million under the Second Amended DIP Credit Agreement as now in effect or as it may subsequently be amended or extended by order of the Bankruptcy Court through the Authorization Period. Applicants also request authorization for additional debtors to become guarantors under the agreement when the Bankruptcy Court enters an applicability order with respect to such debtor making the provisions of the Second Amended DIP Credit Agreement applicable to such entity.

2. Pre-petition Letters of Credit

In a limited number of instances, the Debtors may be obligated on reimbursement agreements in connection with certain letters that are still outstanding and which the issuing bank may choose to extend, without the consent or involvement of a Debtor. This renewal is beyond the control of the Debtors and the Debtors do not take any affirmative action in connection with such renewal. Absent such a renewal, the beneficiary of the letter of credit would have a right to draw on the letter of credit, to the detriment of both the lender that issued the letter of credit and the Debtors who have a pre-petition reimbursement obligation to such lenders. To the extent necessary, Applicants seek Commission authorization for such involuntary extension of the maturity of any such letter of credit.

3. Enron Cash Management

Enron managed its cash on a centralized basis with funds loaned to or from Enron and to subsidiaries. Enron is permitted to continue to borrow from or lend to certain subsidiaries under terms specified by the Bankruptcy Court. Orders of the Bankruptcy Court dated December 3, 2001 and February 25, 2002, permit, among other things, the Debtors to use their centralized cash management system, subject to certain modifications including a grant of adequate protection for intercompany transfers in the form of superpriority Junior Reimbursement Claims and Junior Liens.

Applicants seek Commission authorization to continue to borrow and lend funds between associated companies in accordance with the Amended Cash Management Order as such order may be amended by the Bankruptcy Court.

4. Portland General Cash Management Agreements

Portland General has entered into agreements with its wholly-owned subsidiaries for cash management. Under the agreements, Portland General periodically transfers from the bank accounts of each subsidiary any cash held in the subsidiary's bank account. If the subsidiary has cash needs in excess of any amount remaining in the account, upon request, Portland General transfers the required amount into the subsidiary's bank account. Portland General does not pay interest on the amounts transferred from a subsidiary's account unless the closing balance of the amount transferred at the end of any month exceeds \$500,000. Any interest paid is at an annual rate of 3% and is retained by Portland General until returned to the subsidiary to meet its cash needs. All administrative expenses are borne by Portland General. Portland General seeks authorization to continue to perform under such cash management agreements.

5. Global Trading Contract and Assets Settlement and Sales Agreements

Certain settlement agreements and asset sales entered into by Enron and its subsidiaries may involve extensions of credit among associate companies subject to section 12(b) of the Act and rule 45(a) under the Act. Enron's subsidiaries were extensively engaged in the retail and/or wholesale trading in various commodities including, but not limited to, energy, natural gas, paper pulp, oil and currencies. Subsequent to the bankruptcy filings, these companies now are engaged in settling these contracts with unaffiliated counterparties under a settlement process approved by both the Creditors' Committee and the Bankruptcy Court. In addition, asset or stock sale agreements may be entered into between Enron and/or its subsidiaries and unaffiliated counterparties. The settlements and sales may involve extensions of credit among associate companies, guaranties and indemnifications. Under a settlement agreement, or asset or stock sale agreement, the value associated with a group of contracts or claims may be netted into a single aggregate payment to be paid to the appropriate debtor(s) to resolve all claims between the settling Enron companies and the

settling counterparty companies. Although undefined at the time of the settlement, each settling company presumably has some right to a portion of the settlement proceeds or a liability for a portion of the settlement payment, so, arguably, collecting or paying the funds centrally would create a form of an intercompany extension of credit, but only as a result of allocation findings by the Bankruptcy Court and not as a result of intended extensions of credit among associated companies. Accordingly, Applicants seek to continue to execute settlement agreements and asset or stock sale agreements.⁷

6. Portland General Short-Term Financing

Upon Enron's registration under the Act, Commission authorization would be required for Portland General to issue debt with a maturity of less than one year. Such securities are not required to be authorized by the Oregon Public Utility Commission ("OPUC") and the exemption provided by rule 52(a), therefore, would not be applicable.⁸

Portland General requests authorization to issue short-term debt in accordance with an existing short-term revolving credit facility with certain banks under the terms and conditions described below. In addition, Portland General requests authorization, through the Authorization Period, to issue short-term debt in the form of institutional borrowings, bid notes and commercial paper as necessary to supplement or replace the short-term revolving credit facility. Portland General also requests authorization to issue letters of credit to provide credit support for trading contracts and other uses.

All issuances of short-term debt would not exceed \$350 million in aggregate principal amount outstanding. Pricing and other terms at the time of issuance will be comparable to issuances by companies with comparable credit ratings and credit profile with respect to debt having similar maturities. In addition, Portland General will not issue any additional short-term debt if Portland General's common stock equity as a percentage of total capitalization is less than 30%, after giving effect to the issuance.

Portland General requests that the Commission reserve jurisdiction with

⁷ Any settlement or sale proceeds or costs aggregated as a result of a settlement will be allocated among the Enron group companies as required by the Bankruptcy Court.

⁸ Issuance of such securities would be subject to approval of the Federal Energy Regulatory Commission ("FERC"). Portland General currently has FERC authorization to issue short-term debt up to \$550 million.

respect to the issuances of short-term debt under the requested authorization if, at the time of issuance, Portland General does not have an investment grade credit rating from at least one nationally recognized statistical rating organization.

Under the terms of Portland General's \$150 million 364-day revolving credit facility ("Facility"), Portland General currently has approximately \$130 million available borrowing capacity. Portland General may borrow, repay and reborrow pursuant to the Facility for a period lasting through May 27, 2004. The Facility is secured by Portland General's first mortgage bonds. The security gives the lenders under the Facility *pari passu* status with Portland General's first mortgage bondholders.

Portland General proposes to use funds raised under the short-term authorization requested in this Application for general corporate purposes, including (1) financing, in part, investments by, and capital expenditures of, Portland General, (2) financing the working capital requirements of Portland General, (iii) funding future investments in subsidiary companies, and (iv) repaying, redeeming, refunding or purchasing any securities issued by Portland General. Portland General also may issue letters of credit to provide credit support for trading contracts and other uses, but would not use any financing authorized herein for businesses other than those conducted by Portland General and its subsidiaries. Portland General is restricted, without prior OPUC approval, from making dividend distributions to Enron that would reduce Portland General's common equity capital below 48% of total capitalization (excluding short-term borrowings).

Portland General also seeks authorization to issue additional short-term debt generally in the form of, but not limited to, institutional borrowings, commercial paper and bid notes as may be necessary to replace, extend, rearrange, modify or supplement the Facility described above. Portland General may sell commercial paper, from time to time, in established U.S., Canadian or European commercial paper markets. Such commercial paper would be sold through agents at the discount rate or the coupon rate per annum prevailing at the date of issuance for commercial paper of comparable quality and maturities sold to commercial paper dealers generally.

Portland General also may establish bank lines of credit, directly or indirectly through one or more financing subsidiaries. Loans under

these lines will have maturities of less than one year from the date of each borrowing. Alternatively, if the notional maturity of short-term debt is greater than 364 days, the debt security will include put options at appropriate points in time to cause the security to be accounted for as a current liability under U.S. generally accepted accounting principles. Portland General also proposes to engage in other types of short-term financing generally available to borrowers with comparable credit ratings and credit profile, as it may deem appropriate in light of its needs and market conditions at the time of issuance.

7. Foreign Assets

Enron's foreign pipeline, gas and electricity distribution and power generation assets typically have FUCO status or exempt wholesale generator ("EWG") status at the project level. Enron has prepared and filed or is in the process of preparing FUCO certifications to obtain FUCO status for the Enron holding companies that hold a number of these projects. Most of these holding companies were formed to hold assets along geographical lines (e.g., Enron South America LLC holds many of the Enron interests in South American projects).⁹ Some Enron group companies, however, may be related to the business of Prisma, but may not qualify for FUCO status because they may not directly or indirectly own or operate foreign utility assets. Such companies may, for example, have loans outstanding to a FUCO or a subsidiary of a FUCO. In other cases, such as settlements or asset reorganizations, the securities of a FUCO may be acquired by Enron group companies.

Accordingly, the Enron group companies request authorization under section 33(c) and rule 53(c) under the Act, to issue new securities for the purpose of financing FUCOs (or to amend the terms of existing financings) and to acquire FUCO securities in connection with financings, settlements and reorganizations. Applicants request that authorization for purposes of financing new investments in their existing FUCOs be limited to \$100 million ("FUCO Financing Limit").

D. Sale of Nonutility Companies

The Debtors, non-Debtor associates, and certain other related companies have completed a number of significant

⁹ Many of the foreign assets will likely be transferred into Prisma. As indicated above, the shares of Prisma may be distributed to creditors in connection with the implementation of Enron's chapter 11 plan or Prisma may be sold and the proceeds will then be distributed to creditors.

asset sales during the pendency of the chapter 11 cases, resulting in gross consideration to the Debtors' bankruptcy estates, non-Debtor associates, and certain other related companies aggregating approximately \$3.6 billion. In most cases, the sale transactions are for all cash consideration. Some sales, however, may involve the acquisition of a security from the purchaser or the company being sold. A security would be accepted only when the transaction could not otherwise be negotiated for all cash consideration. For the most part, the Debtors would seek to convert securities into cash. Any security not converted into cash by the time the assets of the estates are distributed to creditors would reside in the Remaining Assets Trust, and creditors would receive an interest in that liquidating trust.

Indemnifications and guarantees by and between companies in the Enron group also may be part of the sale of nonutility assets, nonutility securities or settlements on claims with third parties. In the case of sales to third parties, indemnifications are capped at no more than the amount of the sale proceeds received by the seller. Applicants request indemnification and guarantee authority to provide them with the flexibility to manage the process of selling the assets of the estates in a manner that would maximize their value.

Applicants seek authorization for transactions involving the acquisition of securities, indemnifications and guarantees described above as they would occur in the context of the sale of any Enron group company (except Portland General) if such sale is (i) in the ordinary course of business of a debtor in possession (directly or indirectly through debtor or non-debtor subsidiaries) or, (ii) is authorized by the Bankruptcy Court.¹⁰

E. Dividends Out of Capital or Unearned Surplus

Applicants request general relief from the dividend and acquisition, retirement and redemption restrictions under section 12(c) of the Act and the rules under the Act as necessary in furtherance of the chapter 11 process to reorganize and reallocate value in the Enron group that will ultimately be distributed to creditors. Applicants also request specific relief for one subsidiary company, Northern Border Partners,

¹⁰ The transactions proposed herein would not involve indemnifications or guarantees made by Portland General and would not have an adverse impact on that company.

relating to distributions of Available Cash¹¹ that are largely to be received by the public unit holders of this non-debtor subsidiary.¹² The Applicants seek an exception from the dividend restrictions under the Act as applied to all nonutility subsidiaries in the Enron group subject to the conditions noted above.

Section 12(c) of the Act restricts the acquisition, retirement or redemption of the securities of a registered holding company or subsidiary by the issuer of such securities, in contravention of the rules, regulations or orders of the Commission. Under rule 42, the effect of this prohibition is to continue to require Commission approval for purchases and redemptions from associates and affiliates. To permit the Enron group companies to transfer value among the companies in the Enron group as necessary to sell assets or to transfer the proceeds of such sales from subsidiaries to parent companies, Applicants request authorization for the Enron group companies, other than Portland General, to acquire, retire and redeem securities that they have issued.¹³

F. New Acquisitions

Through several subsidiaries, Northern Border Partners, a non-Debtor subsidiary of Enron, owns transportation gas systems (Northern Border Pipeline Company, Midwestern Gas Transmission Company, Viking Gas Transmission Company and a one third interest in Guardian Pipeline, L.L.C.) and gas gathering systems located in the Powder River Basin, the Wind River Basin, and the Williston Basin located in Wyoming, Montana, and the Dakotas. Through its subsidiary, Crestone Energy Ventures, L.L.C, Northern Border

Partners owns a 49% interest in Bighorn Gas Gathering, L.L.C.; a 33.33% interest in Fort Union Gas Gathering, L.L.C.; and a 35% interest in Lost Creek Gathering, L.L.C. The gathering facilities interconnect to the interstate gas grid pipeline serving natural gas markets in the Rocky Mountains, the Midwest, and California. Northern Border Partners also owns a minority interest in a gas gathering system in Alberta, Canada. Northern Border Partners' 273-mile coal slurry pipeline connects a coal mine in Arizona to a power station in Nevada.

Northern Border Partners seeks authorization to, directly or indirectly through subsidiaries, issue and sell equity and debt securities to fund general partnership operations and new acquisitions of assets producing qualifying income and to acquire the securities of or other interests in gas-related properties.

Northern Border Partners currently has an effective shelf registration statement on Form S-3 for issuance of \$500 million in equity or debt securities, of which approximately \$102 million in equity was issued in May and June 2003. Depending on the results of its acquisition program, Northern Border Partners believes that during the course of the next year it may need to issue an additional \$500 million to keep Northern Border Partners on an equal footing with its competitors in the acquisition market. Therefore, Northern Border Partners requests authorization under the Act to issue up to \$1 billion of equity and debt securities at any one time outstanding through July 31, 2005, and to invest up to that amount in the acquisition of qualifying income assets (described below) without further Commission authorization.

Northern Border Partners requests authority to continue the ordinary course of its natural gas gathering, processing, storage and transportation operations in the United States and Canada ("Energy Assets"), which are generally conducted through partnerships and other companies, and through the acquisition of partnership or joint venture interests. To that end, Northern Border Partners requests authority to acquire and finance the acquisition of Energy Assets and the securities of companies which solely develop, finance, own and operate such Energy Assets within the United States and Canada up to a total authorized additional investment of \$1 billion through the Authorization Period.

G. Simplifying Complex Corporate Structure and Dissolving Existing Subsidiaries

Enron seeks Commission authorization to restructure, rationalize and simplify or dissolve, as necessary, all of its nonutility businesses and implement settlements (which may involve transactions as described above regarding substantially all of its remaining direct and indirect assets) to effect all transactions authorized by the Bankruptcy Court and otherwise as necessary to simplify and restructure its businesses in furtherance of the chapter 11 process.¹⁴ Applicants also seek authorization to form, merge, reincorporate, dissolve, liquidate or otherwise extinguish companies. Any newly formed entity would engage only in businesses in which the Enron group continues to engage pending the resolution of the chapter 11 cases. Further, Applicants seek authorization to restructure, forgive or capitalize loans and other obligations and to change the terms of outstanding nonutility company securities held by other Enron group companies for the purpose of facilitating settlements with creditors, simplifying the business of the group and maximizing the value of the Debtors' estates.

H. Rule 16 Exemptions

Citrus Corp. ("Citrus"), a holding company which is 50% owned by Enron and 50% owned by El Paso Corp., has the following subsidiaries: FGT, Citrus Trading Corp. ("CTC"), and Citrus Energy Services, Inc. ("CESI"). FGT is engaged in the transportation of natural gas in interstate commerce, subject to the jurisdiction of the Federal Energy Regulatory Commission. CTC is engaged in the supply of natural gas, while CESI is engaged in transportation management, having recently terminated its facilities operation and maintenance business. FGT owns and operates gas transmission facilities that extend from South Texas to South Florida along the Gulf of Mexico. Bridgeline Holdings, L.P. ("Bridgeline"), is an intrastate gas pipeline partnership that is engaged in the storage, transportation and supply of natural gas in Louisiana. Enron indirectly owns a 40% equity interest in the partnership and a 50% voting interest in the partnership, with the remaining equity

¹¹ Available Cash is defined under the Partnership Agreement to include cash derived from all sources including partnership holdings, financings and sale of assets less cash that is used for operating expenses, taxes, debt service payments, capital expenditures and contributions and increases to reserves.

¹² Corporations may pay dividends out of current income and retained earnings consistent with the restriction in section 12(c) of the Act which limits only dividends paid out of capital and capital surplus. Partnerships do not have a retained earnings account, so partnership distributions of available cash would come from current net income of the partnership, and partners' capital to the extent current net income of the partnership is insufficient to cover the whole distribution. Northern Border Partners' request to pay distributions in the amount of its Available Cash may require authorization under section 12(c) of the Act to the extent that Available Cash exceeds current partnership net income.

¹³ Portland General has 249,727 outstanding shares of preferred stock. Should Portland General exercise its right to redeem any of its preferred stock it would rely on the exemption under rule 42 for the acquisition of stock from unaffiliated entities.

¹⁴ As previously requested above, Applicants seek authorization to acquire, redeem and retire securities and to pay dividends out of capital and unearned surplus, provided that such transactions are consistent with applicable corporate or partnership law and any applicable financing covenants.

and voting interest held by ChevronTexaco Corp.

Besides Northern Border Partners' extensive gas gathering operations in the Williston Basin in Montana and North Dakota as well as in the Powder River Basin in Wyoming, through its wholly owned subsidiary, Crestone Energy Ventures, L.L.C., Northern Border Partners owns a 49% interest in Bighorn Gas Gathering, L.L.C. ("Bighorn"), a 33.3% interest in Fort Union Gas Gathering, L.L.C. ("Fort Union"), and a 35% interest in Lost Creek Gathering, L.L.C. ("Lost Creek"). These three companies which collectively own over 300 miles of gas gathering facilities in the Powder River and Wind River Basins in Wyoming. Northern Border Partners also owns an undivided interest in a 86-mile gathering pipeline in Alberta, Canada.

The Bighorn and Fort Union systems gather coalbed methane gas produced in the Powder River Basin in Wyoming. The remaining ownership interest in Bighorn is held by Cantera Gas Company, which is the operator. The remaining ownership interest in Fort Union is held by Cantera Gas Company, Western Gas Resources, Bargath, Inc. and CIG Resources Company. Cantera Gas Company is the managing member, Western Gas Resources is the field operator and CIG Resources Company is the administrative manager. Burlington Resources Trading, Inc. holds the remaining interest in Lost Creek and is the managing member. The Lost Creek system gathers natural gas produced from conventional gas wells in the Wind River Basin in central Wyoming. Through its subsidiary, Border Midstream Services, Ltd., Northern Border Partners owns an undivided interest in the Gregg Lake/Obed Pipeline in Alberta, Canada which entitles Border Midstream to a voting interest of 36%. The pipeline is operated by a third party, Central Alberta Midstream.

Northern Border Partners also owns an undivided one-third interest in Guardian Pipeline, L.L.C. ("Guardian"), a 141-mile interstate natural gas pipeline system which transports natural gas from Joliet, Illinois to a point west of Milwaukee, Wisconsin. Subsidiaries of Wisconsin Public Service and Wisconsin Energy Corporation hold the remaining interests in this system.

Each of Citrus, Bridgeline, Bighorn, Fort Union, Lost Creek and Guardian (the "Rule 16 Companies") seek to rely on an exemption from the obligations, duties and liabilities imposed upon them under the Act as a subsidiary or affiliate of a registered holding company. Accordingly, Applicants

request that the Commission authorize Enron to acquire its respective interests in the Rule 16 Companies under Sections 9(a)(1) and 10, subject to any requirement in the Plan or as may be imposed by the Bankruptcy Court for the subsequent disposition of these assets.

I. Affiliate Transactions

Portland General has entered into a master service agreement ("MSA") with certain affiliates, including Enron. The MSA allows Portland General to provide affiliates with the following general types of services: Printing and copying, mail services, purchasing, computer hardware and software support, human resources support, library services, tax and legal services, accounting services, business analysis, product development, finance and treasury support, and construction and engineering services. The MSA also allows Enron to provide Portland General with the following services: executive oversight, general governance, financial services, human resource support, legal services, governmental affairs service, and public relations and marketing services. Portland General would provide services to affiliates at cost under the MSA and affiliate services provided to Portland General also would be priced at cost.¹⁵

Enron provides certain employee health and welfare benefits, 401(k), and insurance coverages to Portland General under the MSA that are directly charged to Portland General based upon Enron's cost for those benefits and coverages. The estimated cost of these services for the year 2004 in the aggregate is \$26 million. The provision of these services is anticipated to continue until such services are replaced, which Enron expects will occur by the end of 2004.

Portland General provides certain administrative services to Enron's subsidiary Portland General Holdings ("PGH") and its subsidiaries under the MSA. The services that are allocated or directly charged to PGH and its subsidiaries based upon the cost for those services. The estimated cost of these services for the year 2004 in the aggregate is \$700,000.

Applicants request that the Commission reserve jurisdiction with respect to any amendments to service arrangements involving Portland General, such as the Transition Services

Agreement, pending completion of the record.

The nonutility subsidiaries in the Enron group also are engaged in providing services to one another. These services include, without limitation, environmental, right-of-way, safety, information technology, accounting, planning, finance, tax, procurement, accounts payable, human resources, regulatory, and legal services.

Enron Operation Services Corp. ("EOSC") or its affiliates, including CES, also provides services to Citrus and its subsidiaries under an operating agreement originally entered into between an Enron affiliate and Citrus. The primary term of the operating agreement expired on June 30, 2001; however, services continue to be provided pursuant to the terms of the operating agreement. Under an implied agreement pursuant to the terms of the operating agreement, Citrus reimburses the service provider for costs attributable to the operations of Citrus and its subsidiaries.

Northern Plains provides operating services to the Northern Border Partners pipeline system pursuant to operating agreements entered into with Northern Border Pipeline, Midwestern, and Viking. Under these agreements, Northern Plains manages the day-to-day operations of Northern Border Pipeline, Midwestern, and Viking, and is compensated for the salaries, benefits, and other expenses it incurs. Northern Plains also utilizes Enron affiliates for administrative and operating services related to Northern Border Pipeline, Midwestern, and Viking. NBP Services provides certain administrative and operating services for Northern Border Partners and its gas gathering and processing and coal slurry businesses. NBP Services is reimbursed for its direct and indirect costs and expenses pursuant to an administrative services agreement with Northern Border Partners. NBP Services also utilizes Enron affiliates to provide these services.

It is anticipated that at the closing of the transactions contemplated by the CrossCountry Amended and Restated Contribution and Separation Agreement, CrossCountry and Enron will enter into a Transition Services Agreement pursuant to which Enron will provide to CrossCountry, on an interim, transitional basis, various services, including, but not limited to, the following categories of services: (i) Office space and related services, (ii) information technology services, (iii) SAP accounting system usage rights and administrative support, (iv) tax services, (v) cash management services, (vi)

¹⁵ If cost based pricing of particular services provided under the MSA would conflict with the affiliate transaction pricing rules of the OPUC, Portland General and Enron would refrain from providing such services, unless they have first obtained specific authorization from the OPUC to use cost based pricing for such services.

insurance services, (vii) contract management and purchasing support services, (viii) corporate legal services, (ix) corporate secretary services, (x) off-site and on-site storage, (xi) payroll, employee benefits and administration services, and (xii) services from RAC on a defined project basis.

CrossCountry will provide to Enron, on an interim, transitional basis, various services, including, but not limited to, the following categories of services: (i) Floor space for servers and other information technology equipment, (ii) technical expertise and assistance, including, without limitation, pipeline integrity, safety, environmental and compliance, (iii) accounts payable support, and (iv) accounting services relating to businesses owned directly or indirectly by ETS immediately prior to closing.

The parties are expected to enter into a Transition Services Supplemental Agreement at the closing of the Amended and Restated Contribution and Separation Agreement. Subject to the consent of the Creditors' Committee, the Transition Services Supplemental Agreement will more fully delineate the services provided within each category set forth in the Transition Services Agreement. The charges for such transition services will be cost-based in accordance with section 13(b) and rules 90 and 91. Certain services will be charged on an "as needed" basis.

Provision of the transition services will commence on the effective date of the Transition Services Agreement and terminate on December 31, 2004, unless otherwise agreed in writing by the parties. However, except as otherwise provided for in the Transition Services Supplemental Agreement, Enron may terminate any transition service upon ninety days' prior written notice to CrossCountry.

It is also anticipated that at the closing of the transactions contemplated by the CrossCountry Amended and Restated Contribution and Separation Agreement, Enron and certain of its subsidiaries and affiliated companies will enter into a Cross License Agreement pursuant to which each of the companies that is a party to the Cross License Agreement will grant, without warranty of any kind, to each and every other party and its respective subsidiaries, all of the intellectual property rights of the party granting the license in and to certain software programs, documentation, and patents described in the Cross License, a non-exclusive, royalty free, sublicensable license, with fully alienable rights, to: (i) use, copy, and modify the licensed programs and documentation; (ii) use,

make, have made, distribute, and sell any and all products and services of the party receiving the license as well as such party's subsidiaries and sublicensees (if any); and (iii) engage in the business of such party receiving the license and business of its subsidiaries and sublicensees (if any) prior to, on, and after the closing date.

The Cross License Agreement will become effective on the closing date and the licenses granted will continue in perpetuity unless licenses granted to a breaching party are terminated by any affected non-breaching party in the event such breaching party fails to cure a material breach of the Cross License Agreement within thirty days after delivery of written notice of the breach.

Finally, prior to or at the closing of the CrossCountry Amended and Restated Contribution and Separation Agreement, Enron and CrossCountry will enter into a license or lease agreement under which CrossCountry will lease to Enron adequate floor space in the Ardmore Data Center for servers and other information technology equipment owned by the CrossCountry Enron Parties. The space will be provided on a cost basis for a term to be specified in the Ardmore Collocation License Agreement.

Prisma and Enron and its affiliates also expect to enter into certain ancillary agreements, which may include a new Transition Services Agreement, a tax allocation agreement discussed below, and a Cross License Agreement. The employees of Enron and its affiliates who have been supervising and managing the Prisma Assets since December 2001, became employees of a subsidiary of Prisma effective on or about July 31, 2003. In connection therewith, as approved by the Bankruptcy Court, Enron and its affiliates entered into four separate Transition Services Agreements pursuant to which such employees will continue to supervise and manage the Prisma Assets and other international assets and interests owned or operated by Enron and its affiliates. The ancillary agreements, together with the Prisma Contribution and Separation Agreement, will govern the relationship between Prisma and Enron and its affiliates subsequent to the contribution of the Prisma Assets, provide for the performance of certain interim services, and define other rights and obligations until the distribution of shares of capital stock of Prisma pursuant to the Plan or the sale of the stock to a third party. In addition, the Prisma Contribution and Separation Agreement or the ancillary agreements are expected to set forth certain shareholder protection

provisions with respect to Prisma and may contain indemnification obligations of the Prisma Enron Parties.

Enron requests authority through the Authorization Period to provide the services specified above at other than cost due to the special and unusual circumstances of its bankruptcy.

Applicants, other than Enron, that are providing goods and services at terms other than cost to associate companies, other than Portland General, also request authority through the Authorization Period to provide the services specified above at other than cost due to the special and unusual circumstances of its bankruptcy.

J. Tax Allocation Agreements

Enron has entered into agreements with Portland General and Transwestern for the payment and allocation of tax liabilities on a consolidated group basis. These agreements generally require the subsidiaries to pay their separate return tax to Enron. In consolidation, Enron offsets the subsidiaries' income with the losses, tax credits and other tax-reducing attributes of Enron and other group companies and pays the resulting lower tax liability amount to the Internal Revenue Service or other taxing authority. Under the agreements, group companies, including Enron, that contributed tax benefits such as losses or credits to the consolidated return are paid their proportionate share of the tax reduction resulting from the use of such benefits in the consolidated tax return filing. Enron seeks authorization to continue to perform under these current agreements (or new agreements on similar terms) and for CrossCountry to enter into a new tax allocation agreement with Enron, when Transwestern is contributed to CrossCountry. Further, it is contemplated that the existing tax allocation agreement with Portland General may be amended to provide that Enron would pay Portland General for certain Oregon state tax credits generated by Portland General but not used on the consolidated Oregon tax return. Enron and Portland General also seek authorization to amend the Portland General tax allocation agreement accordingly.

Enron also has other written and oral tax-related agreements with other Enron group companies. It is contemplated that these agreements will be rejected as executory contracts by the Debtors on the Confirmation Date, with an effective date as of December 2, 2001 (Enron's bankruptcy petition date). Notwithstanding this rejection, Enron will continue to file a consolidated tax return as required by the Internal

Revenue Code. In such circumstances, Enron will no longer charge companies with income the stand-alone tax that they would pay on their income but for the consolidated losses. Enron generally would no longer pay loss companies for the benefit of their losses used to offset income on the consolidated return, except that it is expected that payments to Enron under the Portland General and CrossCountry tax allocation agreements would be shared with all loss companies consistent with past practice. Portland General, Transwestern and Prisma (discussed further below) are not part of this arrangement. Applicants request authorization for Enron and the other Enron group companies subject to the contract rejection described above to file consolidated returns in accordance with the method described above.

K. U5B Registration Statement

Enron seeks a modification to the Commission's reporting requirement to permit it to submit the Disclosure Statement in lieu of a Registration Statement on Form U5B. If the Commission staff indicates to Enron that it requires additional information called for in Form U5B but not included in the Disclosure Statement, Enron will undertake to promptly provide such additional information.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 04-3111 Filed 2-11-04; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27800]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

February 6, 2004.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by February 27, 2004, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After February 27, 2004, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Enron Corp., et al. (File No. 70-10199)

Enron Corporation ("Enron"), a public-utility holding company by reason of its ownership of Portland General Electric Company ("Portland General"), an Oregon public-utility company, has filed an application, on its own behalf and on behalf of its subsidiaries and affiliates in the bankruptcy cases under Chapter 11 of the United States Code ("Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court") (together with Enron, "Debtors"),¹ for an order: (i) approving the Debtors' Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the Bankruptcy Code, dated January 9, 2004 ("Plan") under section 11(f) of the Act; (ii) issuing a report on the Plan under section 11(g) of the Act; and (iii) authorizing Debtors under rules 62 and 64 to continue the Bankruptcy Court's authorized solicitation of votes of the Debtors' creditors for acceptances or rejections of the Plan and to make available to creditors a report on the Plan, as prescribed in section 11(g) of the Act. The application is sometimes referred to below as the "Plan Application."

In a companion filing, Enron, on its own behalf and on behalf of its subsidiaries and affiliates (collectively "Applicants"), listed in Exhibit H of the application in File No. 70-10200 ("Omnibus Application"),² seeks authorization to conduct business under the Act in a manner that furthers the Chapter 11 process. Specifically, the Omnibus Application requests

¹ The Debtors, other than Enron, are identified in Exhibit H of the application. Portland General is not a Debtor.

² Applicants in the Omnibus Application include both Debtor and non-Debtor subsidiaries of Enron.

authorization for the Enron group companies to reorganize their nonutility businesses, enter into settlements, asset sales and other transactions involving guarantees, indemnifications and the acquisition of securities, pay dividends and redeem securities to transfer value among the group companies in connection with the rationalization of Enron's complex corporate structure, engage in affiliate sales of goods and services and other transactions described below, all through July 31, 2005 ("Authorization Period").³

I. Enron and Its Subsidiaries

From 1985 through mid-2001, Enron grew from a domestic natural gas pipeline company into a large global natural gas and power company. Headquartered in Houston, Texas, Enron and its subsidiaries provided products and services related to natural gas, electricity, and communications to wholesale and retail customers. As of December 2001, the Enron companies employed approximately 32,000 individuals worldwide. The companies were principally engaged in: (i) The marketing of natural gas, electricity and other commodities, and related risk management and financial services worldwide; (ii) the delivery and management of energy commodities and capabilities to end-use retail customers in the industrial and commercial business sectors; (iii) the generation, transmission, and distribution of electricity to markets in the northwestern United States; (iv) the transportation of natural gas through pipelines to markets throughout the United States; and (v) the development, construction, and operation of power plants, pipelines, and other energy-related assets worldwide.

Enron became a public-utility holding company in 1997, when it acquired Portland General. Portland General is engaged in the generation, purchase, transmission, distribution, and retail sale of electricity in Oregon. It also sells wholesale electric energy to utilities, brokers, and power marketers located throughout the western United States.

The Oregon Public Utility Commission ("Oregon Commission") regulates Portland General with regard to its rates, terms of service, financings, affiliate transactions and other aspects of its business. The Federal Energy Regulatory Commission ("FERC") regulates the utility with respect to its activities in the interstate wholesale power markets.

³ "Enron group" includes all of Enron's subsidiaries, whether or not they are Debtors.