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Annual Environmental, Health and Safety Report

Environmental, Health and Safety Report

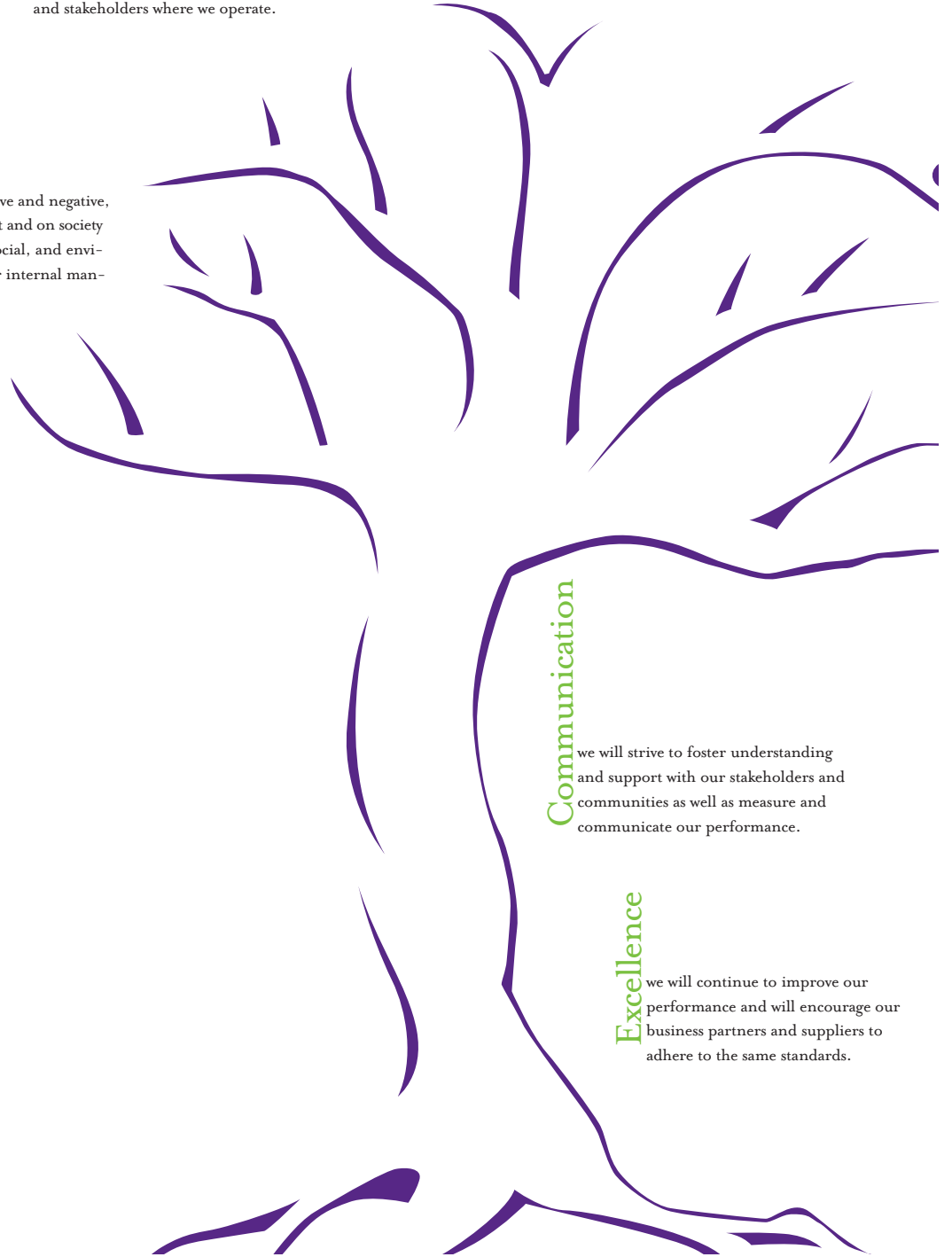
COVER
Becky Stephens,
Wild@Work Volunteer Coordinator
Sam Houston Park

Respect we will work to foster mutual respect with communities and stakeholders who are affected by our operations; we will strive to ensure that our activities, products and services yield a positive impact on the environment, communities and stakeholders where we operate.

Integrity we will examine the impacts, positive and negative, of our business on the environment and on society and will integrate human health, social, and environmental considerations into our internal management and value system.

Communication we will strive to foster understanding and support with our stakeholders and communities as well as measure and communicate our performance.

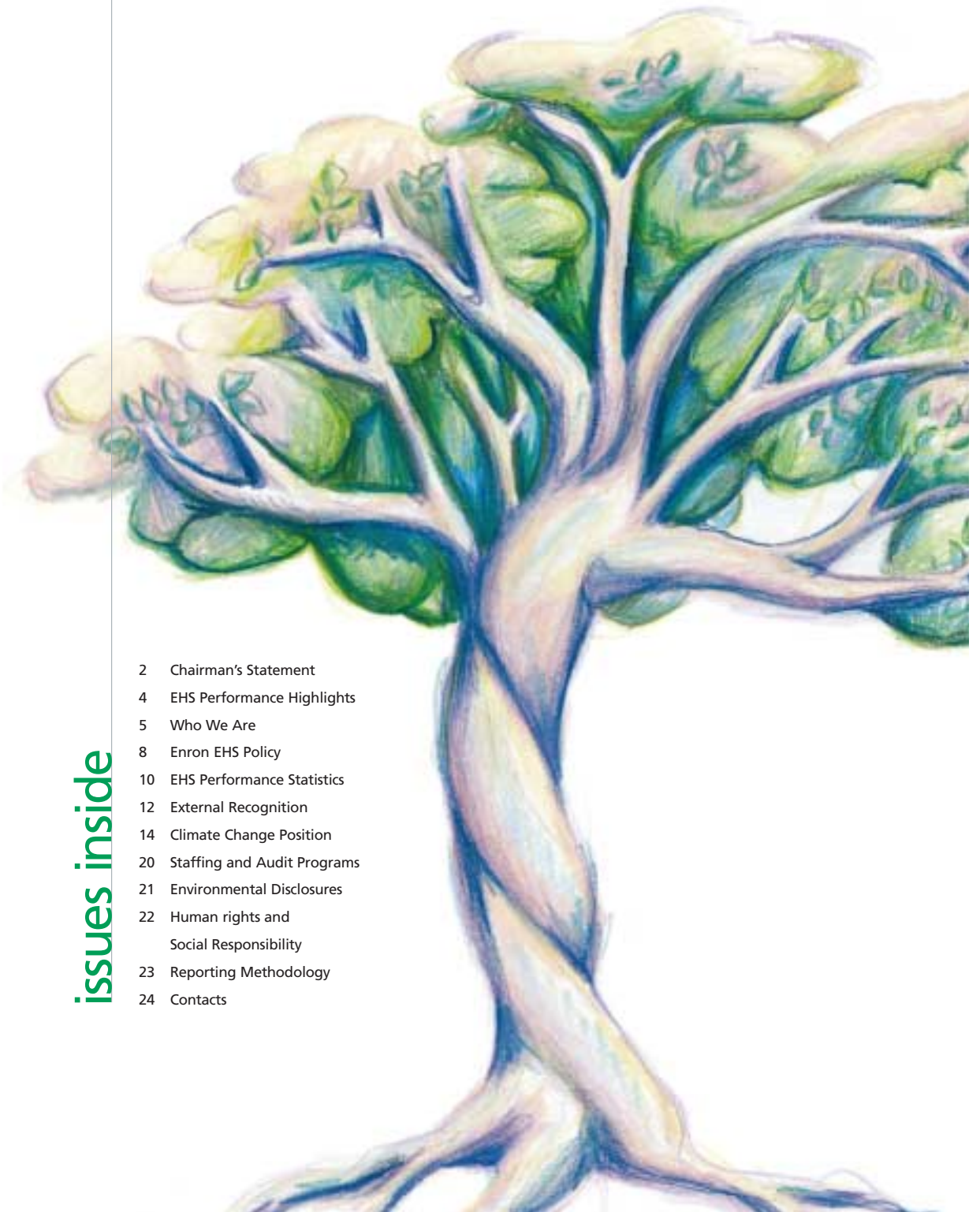
Excellence we will continue to improve our performance and will encourage our business partners and suppliers to adhere to the same standards.



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issues inside

2	Chairman's Statement
4	EHS Performance Highlights
5	Who We Are
8	Enron EHS Policy
10	EHS Performance Statistics
12	External Recognition
14	Climate Change Position
20	Staffing and Audit Programs
21	Environmental Disclosures
22	Human rights and Social Responsibility
23	Reporting Methodology
24	Contacts





Kenneth L. Lay
Chairman and CEO
Enron Corp.

chairman's statement

I am pleased to present Enron's first annual EHS report. This report is an important step in demonstrating our ongoing commitment to responsible business practices around the world. As a knowledge-based company, we strive to apply innovation, leadership and excellence to all aspects of our business—from delivering energy and communications services to fulfilling our role as a good corporate citizen. These characteristics are the building blocks of our competitive advantage, enabling us to maintain a strong market position as well as deliver consistently high returns for our shareholders.

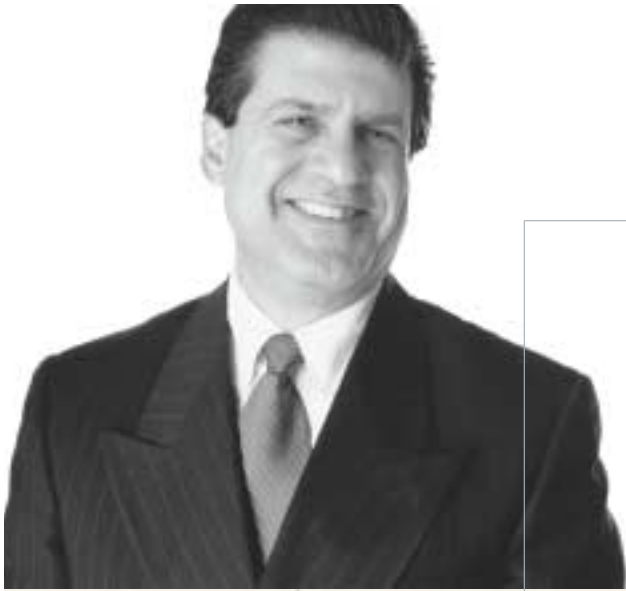
We have made significant strides in strengthening our environmental and social performance. Some of the highlights include establishing a corporate responsibility department, developing corporate-wide EHS Guidelines, measuring and reporting our environmental, health, and safety performance, and adopting a formal human rights policy. Also, Enron has received the U.S. EPA Natural Gas STAR Transmission Partner of the Year for the third consecutive year for our voluntary methane reductions. While we are proud of our efforts thus far, we recognize that this year's report and achievements are just the beginning.

We believe that incorporating environmental and social considerations into the way we manage risk, govern our projects, and develop products and services will help us maintain our

competitive advantage. We also believe that corporate responsibility is an important element in delivering added value to our customers and investors. To that end, this year's objectives include integrating social and environmental factors into our due diligence, risk management, training and audit practices, communicating our performance and commitments to stakeholders, examining the impacts of our projects and services, and in measuring our performance.

As we move forward, we will leverage our intellectual capital and innovative capabilities to promote sustainable business practices around the world. We believe that this approach is imperative for achieving our business objectives, attracting and retaining top talent, preserving and enhancing our reputation, and delivering long term corporate value.

A handwritten signature in orange ink, appearing to read "Kenneth T. G.", located in the lower right quadrant of the page.



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Mike Terraso

Chief Environmental Officer and Vice President,
Environmental, Health and Safety
Enron Corp.

EHS performance highlights

Enron is dedicated to the continuous improvement of its environmental, health and safety (EHS) performance and has undertaken additional efforts over the last two years to further enhance our EHS management programs.

In 1998 we appointed Enron's first Chief Environmental Officer, who assembled a committee of environmental, health, and safety professionals to develop a board-approved corporate-wide EHS Policy. This policy is supplemented by Enron's Code of Conduct and a set of core EHS Management System Standards based on ISO 14001. In 1999 we developed corporate-wide EHS Guidelines for our operating companies, developed a list of desired EHS performance metrics to monitor and appointed our first Corporate Responsibility staff. This year, we have four objectives:

1. Disclose our environmental, health, and safety performance publicly in this, our first annual EHS report;
2. Identify and actively engage stakeholders in our business decisions;
3. Prioritize and set objectives based on EHS performance;
4. Develop an action plan for implementing and monitoring corporate responsibility.

Our 1999 worldwide EHS record is good and, in our opinion, distinguishes us from our competition. Domestic and foreign pipeline and electricity incident and severity rates were lower than the published industry averages.

Although we operate in over fifteen countries and hold over two hundred and fifty operating permits or licenses, we experienced only eight environmental notices of violation. For the third consecutive time we won recognition as the U.S. EPA Natural Gas STAR Transmission Partner of the Year for our voluntary methane reductions. In 2000 we expect to expand our performance reporting coverage and strengthen our global EHS programs through systematic training, communication and monitoring mechanisms.

To date we have made significant progress in defining our EHS policy and standards. We are committed to executing our policy and standards to the best of our ability. Respect, integrity, communication and excellence are core Enron values. All of our activities are governed by these values, and our EHS policy is no exception. These values encourage us to engage the communities and stakeholders affected by our operations in an effort to continuously improve performance and minimize our impacts.

We look forward to communicating our positions and progress to our stakeholders annually.

who we are

Enron is one of the world's leading electricity, natural gas, and communications companies, operating in over 40 countries on six continents. We own approximately \$37 billion in energy and communications assets; produce electricity and natural gas; develop, construct, and operate energy facilities worldwide; deliver physical commodities and financial and risk management services to customers around the world; and are developing an intelligent network platform to facilitate online business. Enron's Internet address is www4.enron.com. The stock is traded on the New York Stock Exchange under the ticker symbol ENE.

Revenue

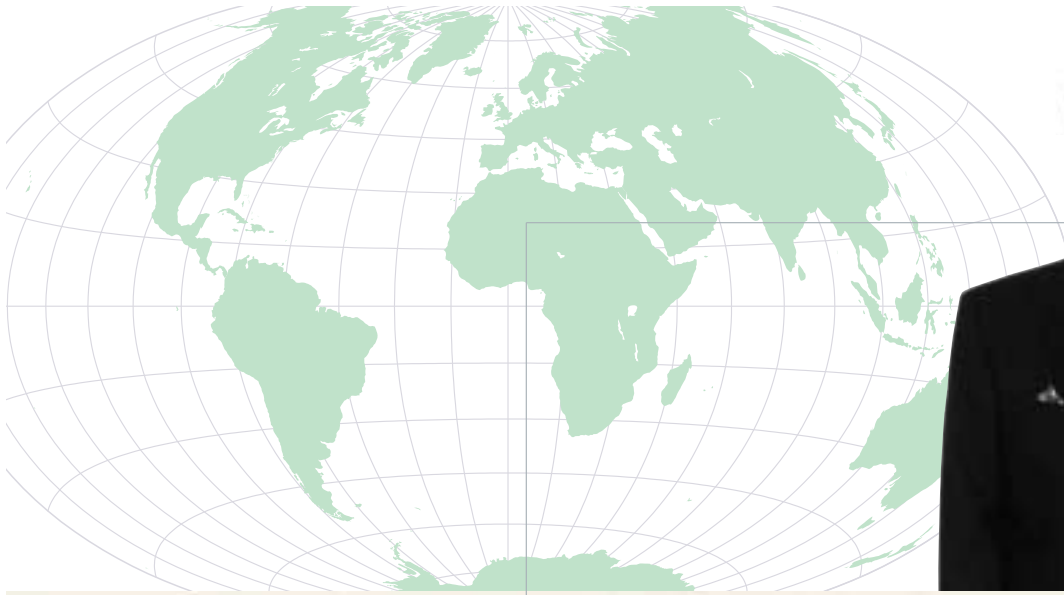
Enron reported \$40.12 billion in revenues and total new income of \$893 million for 1999. Complete financial information can be obtained in Enron's 1999 Annual Report.



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Production/Volume

Business Type	GW-hrs	MMcf	K bbls
Domestic Electricity	1,035.9	N/A	N/A
Foreign Electricity	27,434.3	N/A	N/A
Domestic Pipeline	N/A	4,063,281	N/A
Foreign Pipeline	N/A	1,400,870	N/A
Domestic Chemical Production	N/A	N/A	14,679



Our EHS Principles/Policy and Standards

It is Enron's policy to conduct its business worldwide in compliance with all applicable environmental, health and safety laws and regulations and to apply responsible standards where such laws or regulations do not exist. These laws, regulations and standards are designed to safeguard the environment, human health, wildlife and natural resources. Our commitment to observe them faithfully is an integral part of our business and of our values.

At Enron, we shall:

- Make environmental, health and safety considerations a priority in our business planning and in the design and implementation of our projects;

- Participate with concerned agencies and groups in the continued development of appropriately balanced environmental, health and safety laws and regulations;

- Manage our business with the objectives of providing a healthful and safe workplace for our employees, preventing accidents and environmental incidents, and controlling emissions and wastes to below harmful levels;

- Be prepared to respond timely and appropriately to incidents resulting from our operations;

- Encourage the sensible development of the world's energy resources;

- Encourage respect and concern for the environment and emphasize to each of our employees through appropriate communication and training each individual's responsibility in environmental, health and safety performance; and

- Strive continuously to enhance our environmental, health and safety performance through appropriate means and programs.

These principles are supported by the safety and environmental law sections of the **Enron Conduct of Business Affairs**, which includes a compliance statement that each employee is required to sign and submit yearly. In addition, Enron has developed Environmental, Health and Safety Management System Standards and Guidelines that are currently in the process of being implemented and audited worldwide. The management system standards are based on the internationally recognized ISO 14001 standards.

Internationally, Enron has initiated the implementation of ISO 9000 and 14000 criteria and has achieved certification for seven companies located in Argentina, Brazil, the Philippines, South Korea, United Kingdom the United States and Venezuela.

Air Emissions

	NOx (TPY)	SO2 (TPY)	VOC (TPY)	PM10 (tons)	CO (tons)
U.S. Electricity ¹	126.67	69.9	40.73	35.16	159.75
U.S. Pipelines	39058	310	1876	538	14923
U.S. Chemical Production	2822	6.99	823.7	52.1	195

¹Based on Enron's percent ownership and potential to emit, excluding companies in which Enron is a shareholder only.

Environmental Notices of Violation

	Number of Violation Notices
U.S. Electricity	0
Foreign Electricity	1
U.S. Pipelines	6
Foreign Pipelines	0
U.S. Chemical Production	1
Global LPG Operations	0
Total	8

Reportable Spills

	Number of Occurrences
U.S. Electricity	0
Foreign Electricity	0
U.S. Pipelines	3
U.S. Chemical Production	0
Foreign Pipelines ¹	61
Global LPG Operations	0
Total	64

¹Spills are based on national or federal environmental reporting requirements in the countries where we operate. Some countries require the reporting of all spills and releases to the local environmental agency regardless of the quantity of the spill or containment. Such is the case in Bolivia, where Enron and its partners purchased government-owned pipelines and have made significant capital improvements, enhanced operational procedures, and continue to strive to improve its safety and operations.

Environmental Fines Paid

	U.S.\$
U.S. Electricity	0
Foreign Electricity	\$3,000
U.S. Pipelines	\$13,859
Foreign Pipelines	0
U.S. Chemical Production	0
Global LPG Operations	0
Total	\$16,859

Reportable Waste

	U.S. Tons
U.S. Pipelines	433.0
U.S. Chemical Production ¹	1746.85
U.K. Electricity	317.41
Total	2497.26

¹Enron's Methanol plant was re-classified as an EPA Conditionally Exempt Small Quantity Generator in 1999 due to the on-site re-use of a mixed alcohol by-product. Previously, this by-product was strictly disposed as a waste. Such beneficial re-use of a material that would otherwise be disposed as a waste has also resulted in a 99.5% reduction of n-butyl alcohol emissions from the 1997 baseline Toxic Release Inventory. Likewise, Enron's MTBE plant has successfully reduced TRI emissions by over 25% and reduced off-site disposal by 99% over 1995 baseline data.



EHS performance Statistics

Waste Minimization (U.S. tons)

Material recycled and reused

	Used Oil	Solvents	Glycol	Catalyst	Paper	Metal
U.S. Pipelines	1187	32.5	64.8	0	44.1	9,624
U.S. Chemical Production	71	2.64	0	13.68	6.8	441
Total	1258	35.14	64.8	13.68	50.9	10,065

Energy Usage

	Gigajoules
U.S. Pipelines	75,354,149
U.S. Chemical Production	15,698,242
Total	91,052,391

Energy Savings from Energy-Service Related Contracts Maturing 2000-2012

	Gigajoules
Natural Gas	119,604,597
Electricity	21,305,503

**Toxic Release Inventory
(U.S. Chemical Production)**

Chemical Name	U.S. Tons Per Year
Ammonia	3.65
Benzene	1.01
Formaldehyde	40.69
Methanol	199.27
Methyl Tert-Butyl Ether	22.24
n-Butyl Alcohol	0.48
n-Hexane	1.41
Toluene	0.53

Incident Rate (# of Incidents x 200,000)

Total Manhours

	Injury/Illness Rate
U.S. Electricity	1.21
Foreign Electricity	0.49
U.S. Pipelines	0.39
Foreign Pipelines	1.37
U.S. Chemical Production	0
Global LPG Operations	0.85
Energy Services	0.89
U.S. Electricity Industry Average ¹	2.1
U.S. Pipeline Industry Average ²	0.59

¹Based on 1998 published industry statistics from the National Safety Council.
²Based on 1999 published industry statistics from the Southern Gas Association.

Recordables

(# of Incidents + # of medical) x 200,000

Total Manhours

	Recordables
U.S. Electricity	2.43
Foreign Electricity	1.17
U.S. Pipelines	1.42
Foreign Pipelines	1.54
U.S. Chemical Production	0.37
Global LPG Operations	0.97
Energy Services	.89
U.S. Electricity Industry Average ¹	4.05
U.S. Pipeline Industry Average ²	2.5

¹Based on 1998 published industry statistics from the National Safety Council.
²Based on 1999 published industry statistics from the Southern Gas Association.

Vehicle Accident Rate

(# of Accidents x 1,000,000)

Total Miles Driven

	Vehicle Accident
U.S. Electricity	0
Foreign Electricity	4.66
U.S. Pipelines	2.69
Foreign Pipelines	8.16
U.S. Chemical Production ¹	8.36
Global LPG Operations	5.41
U.S. Electricity Industry Average	N/A
U.S. Pipeline Industry Average ²	2.96

¹Vehicles are only used inside the facility.
²Based on 1999 published industry statistics from the Southern Gas Association.

External Recognition

Natural Gas Star Partner of the Year

Enron's Gas Pipeline Group has voluntarily implemented a methane reduction program to capture natural gas that would otherwise escape the system. This program has resulted in over 100,000 tons of annualized methane reductions over the past three years. The U.S. Environmental Protection Agency has recognized this achievement by awarding us the Natural Gas STAR Transmission Partner of the Year award in 1997, 1998 and 1999 and the Climate Protection Award in 1998.



EPA Energy Star Label

The U.S. Environmental Protection Agency's Energy Star label is a mark of excellence conferred on top-performing buildings that are designed or renovated to reduce harmful air emissions. The Enron Building, built in 1986, is one of only 95 Energy Star buildings in the nation. Enron is the first and only energy company to receive this award for its corporate headquarters building. A second headquarters building, now under construction, has been designed to meet Energy Star criteria. Enron also is working with the EPA to meet or exceed Energy Star label energy-efficiency criteria in those buildings where Enron manages the energy usage.



National Environmental Education Achievement Award

The National Environmental Education and Training Foundation selected Enron to receive a National Environmental Education Achievement Award. Enron won the "Place-Based" award, one of 10 categories, for its Sam Houston Park wildlife habitat project in downtown Houston.

Royal Society for the Prevention of Accidents

The Teesside Gas Processing Plant in the United Kingdom received the Royal Society for the Prevention of Accidents (RoSPA) Gold Award for the third time in 1999. The Award recognizes excellence in occupational safety and health management performance and is based on a number of performance-related criteria, such as accident statistics.



Building Research Establishment Ltd.

Enron Europe's new corporate headquarters, Enron House, received the highest rating of "excellent" for environmental performance from Building Research Establishment Environmental Assessment Method (BREEAM) for the environmental performance of its design. BREEAM is a tool used to measure the environmental performance of a building. It was updated in 1998 to reflect new research and changing environmental priorities. Enron House was among the first buildings to be assessed under the BREEAM 1998 criteria.

Enron House supports an environmental policy that continually monitors, maintains and reviews environmental standards in accordance with European Standard EN ISO 14001, which considers levels of pollution, energy consumption and building management. Enron House consumes 40% less energy than the British Council of Offices (BCO) good practice recommendations and utilizes non-harmful refrigerants, a displacement air ventilation system, and natural daylight.



Enron House received a rating of "excellent" for environmental performance.

Climate Change Statement

Introduction

Global climate change and its potential impacts are among the most debated environmental issues today. The science behind climate change is complex; and, because the implications of climate change are both serious and uncertain, its prospect is a matter of concern for today's global community.

Climate change, also known as "global warming," is a phenomenon that could impact many ecological, economic, and social systems. Furthermore, programs to mitigate the risks of climate change will also have effects—effects on the fuels we use, the choice of power technologies and how energy services are provided.

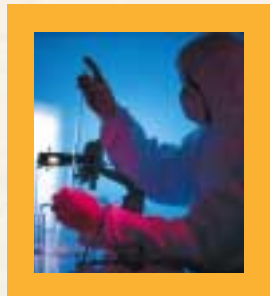
As experts in the use of market-based energy and environmental solutions, Enron is well-positioned to deliver cost-effective, flexible solutions that will help mitigate the potential problems associated with climate change.

Greenhouse gases include carbon dioxide (CO₂) which is emitted through deforestation and the burning of fossil fuels, methane (CH₄) which results from normal livestock and agricultural activities, and halocarbons (CFCs, HFCs, PFCs) and sulfur hexafluoride SF₆ which are released by industrial processes.

encouragement

Enron believes that companies and institutions worldwide must find efficient ways to reduce greenhouse gas emissions that result from normal economic activities. The lack of scientific certainty over climate change does not justify inaction. Continued scientific research and rigorous economic analysis are necessary — but meaningful, cost-effective, and flexible mitigation activities can be taken now to prevent the need for more onerous and costly measures in the future.

At the core of Enron's business philosophy are the beliefs that open and competitive energy markets allow consumers to make well-informed choices about how they use energy, and that competition leads to better energy investment decisions.



Enron's view on climate change is consistent with these beliefs. Enron believes that market-based energy and environmental solutions will create the most cost-effective, efficient and environmentally sound systems for reducing greenhouse gases and provide the greatest amount of choice and flexibility for institutions worldwide.

During the last decade, scientists and policy makers from about 150 countries have met annually to discuss the scientific basis, economic and environmental consequences, and potential remedies that could derive from climate change. Among the critical issues under consideration are certainty for early greenhouse gas reduction activities, flexibility of mitigation activities, and meaningful participation by developing countries.

Early Action:

Programs to encourage "early action" to reduce greenhouse gases should allow for emissions baseline protection while demonstrating clear environmental or economic benefits. Early action programs (under international or domestic law) should recognize greenhouse gas credits where credits are:

- real** — reductions must have actually occurred;
- surplus** — reductions must be more than a firm's regulatory obligation
- quantifiable** — reductions must be measurable and verifiable; and
- certifiable** — reductions become credits when credit-granting guidelines are applied to reductions.



Flexible mitigation activities:

Market-based solutions such as emissions trading and promoting investment in clean development and technology transfer hold the key to cost-effective greenhouse gas reductions. As an advocate of broad, unrestricted trading, Enron believes emission inventories and tracking systems must be comprehensive and accurate, strict accounting rules must exist, and any credits created must be easily transferable.

Developing Country Participation:

Enron believes that all countries - including developing countries — must participate in efforts to address climate change mitigation. While the contribution of developing countries to greenhouse gas emissions is small today, they are the greatest source of future growth and must participate along with developed nations in the world-wide mitigation of greenhouse gas emissions.

Enron believes that by aligning regulatory goals with the proper incentives and market-oriented mechanisms - including liberalization of energy and environmental markets - the cost of achieving our greenhouse gas reductions goals will be less and industry can do it faster than many have predicted.



Enron's views on Global Climate Change

what Enron is doing about Climate Change

Climate change is a global issue that requires a global response. Enron believes that businesses worldwide can and should now take concrete steps to assess opportunities to reduce emissions by investing in new, more efficient products, practices, technologies, and administrative systems.

As a leading provider of innovative energy solutions, Enron is helping meet the world's energy needs while decreasing the impact of energy production on the climate. Enron's resources include a wide range of fuels, technologies, and services that bring efficient, cost-effective energy to consumers.

In 1998, Enron received the Environmental Protection Agency's (EPA) Climate Protection Award for its "exemplary efforts and achievements in protecting the global climate."

Energy Efficiency - Better Energy Management and Consumption

Enron Energy Services (EES) is building a business to transform the energy marketplace by providing integrated energy and facility management solutions that lower energy costs, improve operational efficiencies, and enhance environmental performance.

Enron Energy Services currently manages energy at over 16,500 customer sites. By managing a customer's energy assets and operations, EES can obtain significant energy savings. Already, contracts signed with customers in the last two years will reduce an estimated 6 billion kWh of energy and 113 million mmBtu of fuel consumption between 2000 and 2012—a reduction of 10.5 million tons of carbon dioxide emissions.

Enron's own energy management practices earned the headquarters building in Houston, Texas the EPA's 1999 Energy Star Label Award. And by extending these practices to the pre-construction measures of our new building, we expect to save approximately US \$10 million and reduce greenhouse gas emissions by 34,000,000 pounds per year.



Delivering Natural Gas and Low-Emissions Energy

Enron is a world leader in delivering low-emissions energy resources, and we strive to minimize the environmental impact of our assets through best management practices and innovative technologies.



Enron's focus on the transportation and delivery of natural gas - the cleanest burning fossil fuel - makes Enron well-positioned to meet the growing demand for fuels that can substantially reduce greenhouse gas emissions. Enron Gas Pipeline Group operates over 30,000 miles of natural gas transmission in the United States, and Enron owns, operates, and is developing natural gas pipeline and storage systems around the world.

As the largest wholesaler of gas in North America and one of the largest wholesalers worldwide, Enron buys and sells both physical and financial gas contracts, and offers a full array of financial risk management tools that provide customized energy products for both producers and end-users. Enron markets natural gas liquids worldwide and manages the world's largest portfolio of fixed-price natural gas risk management contracts.

Renewable energy will be an integral part of the world energy mix in the 21st century, and Enron is committed to helping our partners and customers design and implement energy solutions for their unique energy needs. Enron delivers renewable energy to a number of customers in the U.S. and internationally, which has a significant, positive impact on reducing greenhouse gas emissions.

Enron Gas Pipeline Group has been awarded EPA's Natural Gas Star Transmission Partner of the Year Award three years in a row for its Methane Leak Detection And Removal (LDAR) program. The program has resulted in real, verifiable reductions of over 1 billion cubic feet of methane throughout the pipeline system.



Enron is currently providing 100% renewable energy to its residential and small commercial customers in California, as certified by the independent "Green-e" program.



endorse

what Enron is doing about Climate Change



Enron's 116-megawatt Elektrociepłownia Nowa Sarzyna cogeneration power plant was the first private, independent power project in Poland, and one of the region's first natural gas-fired, cogeneration plants.

Efficient, Low-Emissions Power Generation

Enron's focus on providing a diverse mix of fuels and technologies for power generation is a critical element in providing affordable, reliable, and environmentally sound energy. Enron develops, owns, and operates merchant natural gas-fired power generation, as well as finances, develops, operates, and provides commodity for industrial and public-sector customers worldwide. Enron also invests in low to zero emissions technologies and projects such as cogeneration plants and renewable energy generation.

By producing heat and power, cogeneration power plants produce fewer greenhouse gas emissions than conventional power plants. Enron is developing or operating a number of cogeneration plants in countries around the world.

Enron Wind Corp. is one of the largest manufacturers, developers and operators of renewable wind power generation equipment and facilities worldwide, comprising more than 4,300 wind turbines and 1,400 megawatts of capacity. Enron also develops or invests in a number of renewable energy resources, including fuel cells, geothermal energy, landfill gas, biomass, and other developing technologies.

Emissions Trading

Enron's in-depth knowledge of power and commodity markets allows us to offer emissions trading as part of the comprehensive energy and environmental strategies we offer customers. Enron has emerged as the leading emissions allowance trader in the United States, with special expertise in the SO₂ and NO_x allowance markets. We have helped create liquidity and price discovery that have allowed emissions trading markets to grow, while developing increasingly innovative and flexible solutions to help businesses fulfill their environmental obligations and make the best possible choices to succeed in a newly competitive industry. Enron will be an active participant in the developing global markets for credits or allowances related to greenhouse gas emissions reductions.

Enron will help India reach its goal of diversifying its power generation and fuel mix by importing liquefied natural gas (LNG) to fuel the 2,184-megawatt, combined-cycle Dabhol Power project (740 MW Phase I began operation in 1999)



In addition to manufacturing the turbines, Enron constructed and operates the world's largest wind energy facility in Storm Lake, Iowa. The 193-megawatt facility is expected to generate enough emission-free electricity each year to power 72,000 households.



Summary

As a proven leader in the global energy marketplace, Enron is proud to be able to deliver cost-effective, flexible, market-based solutions that will help mitigate the potential problems associated with climate change. As the scientific, economic, and policy debate continues toward determining the best approaches to address climate change, Enron will continue to promote open, competitive markets for fuels, power technologies, environmental technologies, and energy services that will provide a wide range of meaningful choices to reduce greenhouse gas emissions.

encapsulate

Organization

Environmental, health and safety responsibilities are managed by individual business units in accordance with Enron Principles and EHS Management System Standards. EHS policy, strategy and information are developed and coordinated among the Enron business units through an EHS Council. The Council also monitors alignment of business activities with corporate environmental and safety goals and provides a forum for business units to share issues and develop consistent strategy. In addition, Enron has a Chief Environmental Officer who reports to the Enron Corp. Chief of Staff.

Staffing (1999)

This includes only individuals who are dedicated full time to EHS management.

Corporate Staff = 9

Business Units = 50

Audit Programs

Enron launched a new Quality Audit program in 1999, initially targeting our international operations. The Quality Audit program is based on questions developed from industry standards, internal EHS management system standards, and internal implementation guidelines. Disciplines covered included operations, maintenance, security, health and safety, human resources, and environmental. The audit program is on a 2-year cycle and utilizes Enron experts to audit companies outside their routine supervision.

The audit program for the domestic pipelines consists of two basic audit types. The Consolidated Audit program, like the Quality Audit program, is a comprehensive audit conducted by an internal team of safety, pipeline safety, operations, and environmental professionals. This program will be merged with the Quality Audit program in 2000. The second audit program is comprised of focused environmental and safety audits, occurring on a 4-year cycle. As part of this program, all action items are tracked and status reports are periodically provided to domestic pipeline management for review.

Environmental Disclosures

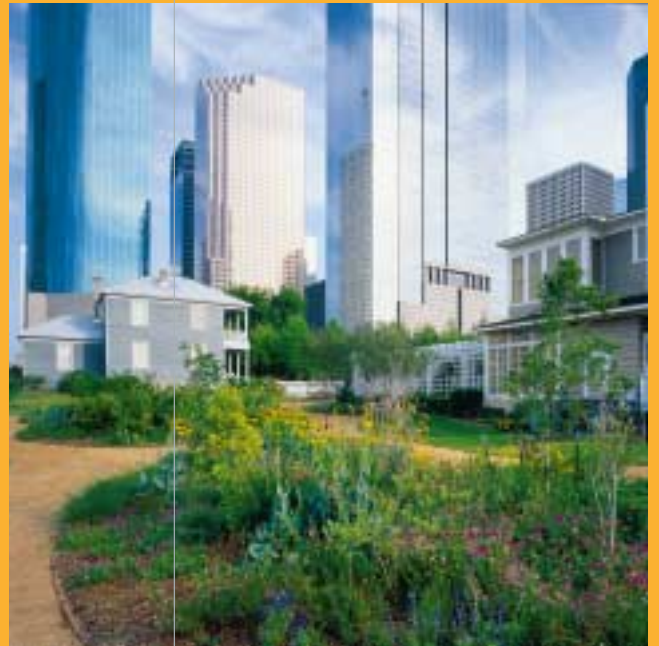
In 1999, Enron completed work on two sites that were cleaned up under the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, also commonly known as Superfund).

The Environmental Protection Agency had informed Enron that it was a potentially responsible party at the Decorah Former Manufactured Gas Plant Site (the Decorah Site) in Decorah, Iowa. The Decorah Gas Company ceased operations at the manufactured gas plant in 1951. A predecessor company of Enron purchased the Decorah Site in 1963. Enron's predecessor did not operate the gas plant and sold the Decorah Site in 1965. The EPA alleged that hazardous substances were released to the environment during the period in which Enron's predecessor owned the site, and that Enron's predecessor assumed the liabilities of the company that operated the plant. While Enron disagreed with these allegations, the company agreed to conduct remedial work at the site. Under the terms of administrative orders, Enron replaced affected topsoil and removed impacted subsurface soils in certain areas of the tract where the plant was formerly located. Enron completed the final removal actions at the site in November 1998 and concluded all remaining activities in the spring of 1999.

Enron also received from EPA an order issued under CERCLA alleging that Enron and two other parties were responsible for the cost of demolition and proper disposal of two 110 foot towers that apparently had been used in the manufacture of carbon dioxide at a site called the "City Bumper Site" in Cincinnati, Ohio. The carbon dioxide plant, according to agency documents, was in operation from 1926 to 1966. Houston Natural Gas Corporation, a predecessor of Enron Corp., merged with Liquid Carbonic Industries (LCI) on January 31, 1969. Liquid Carbonic Corporation (LCC), a subsidiary of LCI, had title to the site. Twenty-eight days after the merger, on February 28, 1969, the site was sold to a third party.

In 1984, LCC was sold to an unaffiliated party in a stock sale. Although Enron did not admit liability with respect to any costs at this site, it agreed to cooperate with the EPA and other potentially responsible parties to undertake the work contemplated by the EPA's Order. The tower demolition and removal activities were completed in October 1998, and a final project report was then submitted to the EPA. The EPA has confirmed through correspondence that all activities required by the order are complete.

Photo: Mike Duhon Productions



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Corporate Responsibility

This year, Enron launched a formal Corporate Responsibility program. The role of the function is to develop and implement our human rights and environmental strategy, manage our due diligence and risk management efforts, as well as audit, measure and report our non-financial performance.



The objectives for this year include establishing and communicating our corporate responsibility vision and policies. We also are launching a Corporate Responsibility task force. The role of this task force will be to develop and coordinate social and environmental policies, strategy, and information among the Enron business units; monitor alignment of business activities with corporate responsibility goals; and provide a forum for business units to share issues and develop a consistent strategy. Next year, we intend to expand our reporting which will include our progress on stakeholder engagement, management systems, and performance measurement

We are currently drafting an implementation plan for 2000-2001, which will define our program at the global, business unit, regional and project levels. Key activities include engaging global and local stakeholders, articulating our strategy and vision internally, providing management and employees with the tools to understand how these issues affect individual and corporate performance, strengthening existing management systems and creating new systems where necessary, as well as assessing our performance in key areas.

Human Rights

Enron is committed to providing much needed energy and communications services while preserving the human rights of citizens and our workers. As a partner in the communities in which we operate, Enron believes it has a responsibility to conduct itself according to fundamental principles that transcend industries, cultures, economies, and local, regional and national boundaries, including those embodied in the Universal Declaration for Human Rights.

We have embodied our commitment in a formal human rights policy, adopted by Enron's Board of Directors in 1999. We have also hired a full time staff dedicated to develop, implement and monitor our human rights policy at corporate, business unit and regional levels. Additionally, we are providing support and expertise to developers and project teams to develop proactive human rights and

corporate responsibility plans at the local level. We are also working to ensure that our employees, business partners and contractors are aware, support and adhere to these principles.

This year's efforts and resources will be dedicated to strengthening Enron's human rights performance. These efforts will include engaging and consulting human rights organizations, incorporating human rights considerations into our due diligence and risk management practices, as well as strengthening our internal training efforts. Another goal is to include our human rights principles in contractual agreements with our contractors, suppliers, and vendors. Our efforts will also focus on identifying the tools and indicators to measure, assess, and monitor our performance.

Reporting Methodology

This report covers the activities of assets owned and operated by Enron, either wholly or through a joint venture. Business units covered in this report include Operations Energy Corporation, Enron Energy Services, Enron Asia Pacific and China, Enron Europe, Enron South America, Enron India, Enron Caribbean and Central America, Enron Transportation and Storage, Florida Gas Transmission, Houston Pipeline Company, Louisiana Resource Company, Northern Plains Natural Gas Company, Gulf Coast Operations, and Enron Clean Fuels.

EHS statistics were not reported for Enron Global Exploration and Production, Enron Wind, and Enron Broadband Services, as well as some joint venture acquisitions acquired during 1999. We expect to include those business units and operating companies in future reports. Portland General Electric was also excluded because they publish their own EHS performance report, located at www.portlandgeneral.com/envreport/index.asp.



Contact information

This is Enron's first Annual Environmental, Health and Safety Report. We are taking great measures to improve the collection, reporting and standardization of performance data worldwide. If you have any questions or suggestions regarding this report or future reports, please contact one of the following individuals:

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