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News Release

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TRANSWESTERN PIPELINE COMPANY FILES APPLICATION FOR EXPANSION

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HOUSTON -- Transwestern Pipeline Company (TW), a subsidiary of Enron Corp. (NYSE: ENE), announced today that it has filed an application with the Federal Energy Regulatory Commission to install new compression at four existing stations in Arizona to expand its system by 150 million cubic feet/day (MMcf/d) of incremental firm capacity. TW's total capacity to the California border will increase to 1.24 billion cubic feet/day (Bcf/d). The \$93 million project is expected to be in service by June 2002.

"This expansion is a start in meeting the increased demand in California and represents additional capacity that can be brought on-line by next summer. Transwestern also plans a more extensive expansion in the future," said Stan Horton, chairman of Enron Transportation Services Company.

Enron Transportation Services Company operates one of the country's largest natural gas transmission systems with approximately 25,000 miles of interstate pipeline, transporting 15 percent of the total natural gas demand in the United States.

Transwestern Pipeline consists of approximately 2,500 miles of pipeline with 1.7 Bcf/d of peak capacity. With pipeline originating in the San Juan, Permian and Anadarko Basins, Transwestern can move gas east to Texas or west to the California border. Information is available on the Internet at www.tw.enron.com.

Enron is one of the world's leading electricity, natural gas and communications companies. The company, with revenues of \$101 billion in 2000, markets electricity and natural gas, delivers physical commodities and financial and risk management services to customers around the world, and has developed an intelligent network platform to facilitate online business. *Fortune* magazine has named Enron "America's Most Innovative Company" for six consecutive years. Enron's Internet address is www.enron.com. The stock is traded under the ticker symbol "ENE."

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