

SCHEDULE 14A
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement Confidential, for Use
of the Commission Only (as
permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to sec. 240.14a-11(c) or sec.
240.14a-12

ENRON CORP.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the
Registrant)

Payment of Filing Fee (Check the appropriate box):
 No fee required.
 Fee computed on table below per Exchange Act Rules 14a-
6(i)(1) and
0-11.

(1) Title of each class of securities to which transaction
applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction
computed
pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the
filing fee
is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

[ENRON LOGO]

ENRON CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 2, 2000

TO THE SHAREHOLDERS:

Notice is hereby given that the annual meeting of shareholders of Enron Corp. ("Enron") will be held in the LaSalle Ballroom of the Doubletree Hotel at Allen Center, 400 Dallas Street, Houston, Texas, at 10:00 a.m. Houston time on Tuesday, May 2, 2000, for the following purposes:

1. To elect eighteen directors of Enron to hold office until the next annual meeting of shareholders and until their respective successors are duly elected and qualified;

2. To ratify the Board of Directors' appointment of Arthur Andersen LLP, independent public accountants, as Enron's auditors for the year ending December 31, 2000;

3. To consider a shareholder proposal from Brent Blackwelder, President, Friends of the Earth Action;

4. To consider a shareholder proposal from Dr. Julia M. Wershing; and

5. To transact such other business as may properly be brought before the meeting or any adjournment(s) thereof.

Holders of record of Enron Common Stock and Cumulative Second Preferred Convertible Stock at the close of business on March 3, 2000, will be entitled to notice of and to vote at the meeting or any adjournment(s) thereof.

Shareholders who do not expect to attend the meeting are requested to sign and return the enclosed proxy, for which a postage-paid, return envelope is enclosed. The proxy must be signed and returned in order to be counted.

By Order of the Board of Directors,

REBECCA C. CARTER
Senior Vice President,
Board Communications and

Secretary

Houston, Texas
March 28, 2000

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[ENRON LOGO]

ENRON CORP.

PROXY STATEMENT

The enclosed form of proxy is solicited by the Board of Directors of Enron Corp. ("Enron") to be used at the Annual Meeting of Shareholders to be held in the LaSalle Ballroom of the Doubletree Hotel at Allen Center, 400 Dallas Street, Houston, Texas, at 10:00 a.m. Houston time on Tuesday, May 2, 2000. The mailing address of the principal executive office of Enron is 1400 Smith St., Houston, Texas 77002-7369. This proxy statement and the related proxy are to be first

sent or given to the shareholders of Enron on approximately March 28, 2000. Any shareholder giving a proxy may revoke it at any time provided written notice of such revocation is received by the Senior Vice President, Board Communications and Secretary of Enron before such proxy is voted; otherwise, if received in time, properly completed proxies will be voted at the meeting in accordance with the instructions specified thereon. Shareholders attending the meeting may revoke their proxies and vote in person.

Holders of record at the close of business on March 3, 2000, of Enron's Common Stock (the "Common Stock") will be entitled to one vote per share on all matters submitted to the meeting. Holders of record at the close of business on March 3, 2000, of Enron's Cumulative Second Preferred Convertible Stock (the "Preferred Convertible Stock") will be entitled to a number of votes per share equal to the conversion rate of 27.304 shares of Common Stock for each share of Preferred Convertible Stock. On March 3, 2000, the record date, there were outstanding and entitled to vote at the annual meeting of shareholders 724,602,226 shares of Common Stock and 1,287,136 shares of Preferred Convertible Stock. There are no other voting securities outstanding. Common Stock and Preferred Convertible Stock are collectively referred to herein as "Voting Stock."

Enron's annual report to shareholders for the year ended December 31, 1999, including financial statements, is being mailed herewith to all shareholders entitled to vote at the annual meeting. The annual report does not constitute a part of the proxy soliciting material.

ITEM 1.

ELECTION OF DIRECTORS

At the meeting, eighteen directors are to be elected to hold office until the next succeeding annual meeting of the shareholders and until their respective successors have been elected and qualified. All of the nominees are currently directors of Enron. Proxies cannot be voted for a greater number of persons than the number of nominees named on the enclosed form of proxy. A

plurality of the votes cast in person or by proxy by the holders of Voting Stock is required to elect a director. Accordingly, under the Oregon Business Corporation Act and Enron's bylaws, abstentions and "broker non-votes" would not have the same legal effect as a vote withheld with respect to a particular director. A broker non-vote occurs if a broker or other nominee does not have discretionary authority and has not received instructions with respect to a particular item. Shareholders may not cumulate their votes in the election of directors.

It is the intention of the persons named in the enclosed proxy to vote such proxy "FOR" the election of the nominees named herein. Should any nominee become unavailable for election, discretionary authority is conferred to vote for a substitute. The following information regarding the nominees, their principal occupations, employment history and directorships in certain companies is as reported by the respective nominees.

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[PHOTO]	ROBERT A. BELFER, 64
	Director since 1983
Chairman and Chief	Mr. Belfer's principal occupation is
Corp., a company formed	Executive Officer of Belco Oil & Gas
April, 1986 from Belco	in 1992. Prior to his resignation in
owned subsidiary of	Petroleum Corporation ("BPC"), a wholly
then Chairman of	Enron, Mr. Belfer served as President and
	BPC.

[PHOTO]	NORMAN P. BLAKE, JR., 58
	Director since 1993
and Secretary	Mr. Blake is the Chief Executive Officer
Committee. Mr. Blake	General of the United States Olympic
Executive Officer of	served as Chairman, President and Chief
December, 1998 until	the Promus Hotel Corporation from
Hilton Hotels	November, 1999 when it merged with the

May, 1998, he served
Officer of USF&G
Paul Companies. He
Corporation.

Corporation. From November, 1990 until
as Chairman, President and Chief Executive
Corporation until its merger with the St.
is also a director of Owens-Corning

[PHOTO]

Chairman of Hang Lung
Hong Kong based
and investment as
Mr. Chan also
companies within
invests in private
he is also a
and Motorola, Inc.

RONNIE C. CHAN, 50
Director since 1996
For over nine years, Mr. Chan has been
Development Limited, a publicly traded
company involved in property development
well as hotel development and management.
co-founded and is a director of various
Morningside/Springfield Group, which
industrial companies internationally and
director of Standard Chartered Bank plc

[PHOTO]

investments since
EOTT Energy Corp.
Partners, L.P.), Azurix

JOHN H. DUNCAN, 72
Director since 1985
Mr. Duncan's principal occupation has been
1990. Mr. Duncan is also a director of
(the general partner of EOTT Energy
Corp. and Group I Automotive Inc.

[PHOTO]

the Regulatory
George Mason
January, 1993, Dr.
Futures Trading

WENDY L. GRAMM, 55
Director since 1993
Dr. Gramm is an economist and Director of
Studies Program of the Mercatus Center at
University. From February, 1988 until
Gramm served as Chairman of the Commodity

is also a director
Invesco Funds.
Chicago Mercantile

Commission in Washington, D.C. Dr. Gramm
of IBP, inc., State Farm Insurance Co. and
Dr. Gramm was also a director of the
Exchange until December 31, 1999.

[PHOTO]

Board and Chief
Electric Company since
2000. Additionally,
Communications,
November, 1999, and
1997 to July, 1999.

KEN L. HARRISON, 57
Director since 1997
Mr. Harrison has served as Chairman of the
Executive Officer of Portland General
1988. He plans to retire on March 31,
Mr. Harrison served as Chairman of Enron
Inc. from its inception in 1996 through
as a Vice Chairman of Enron from July,

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[PHOTO]

Accounting at the
Business in Stanford,
University faculty
until 1990. Dr.
Cascade Corporation,
GenCorp, Inc. Dr.
Insurance Co.

ROBERT K. JAEDICKE, 71
Director since 1985
Dr. Jaedicke is Professor (Emeritus) of
Stanford University Graduate School of
California. He has been on the Stanford
since 1961 and served as Dean from 1983
Jaedicke is also a director of Boise
California Water Service Company and
Jaedicke was also a director of State Farm
until June, 1999.

[PHOTO]

Chairman of the
Enron. Mr. Lay is also

KENNETH L. LAY, 57
Director since 1985
For over fourteen years, Mr. Lay has been
Board and Chief Executive Officer of

Compaq Computer
Corp. (the general
Questia Media, Inc.

a director of Eli Lilly and Company,
Corporation, Azurix Corp., EOTT Energy
partner of EOTT Energy Partners, L.P.),
and Trust Company of the West.

[PHOTO]

President of the
Center in Houston,
President Emeritus.

CHARLES A. LEMAISTRE, 76
Director since 1985
For 18 years, Dr. LeMaistre served as
University of Texas M. D. Anderson Cancer
Texas and now holds the position of

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[PHOTO]

served as Chairman
Corp., a global water
1998, until July,
Chairman of Enron.
Mark-Jusbasche
Inc. From January,
served as Chief
Inc. From July,
Chairman and Chief
Corp. Ms.
on Foreign
National Advisory

REBECCA MARK-JUSBASCHE, 45
Director since 1999
Since July, 1998, Ms. Mark-Jusbasche has
and Chief Executive Officer of Azurix
company formed by Enron in 1998. From May,
1999, Ms. Mark-Jusbasche served as a Vice
From January, 1996, until March, 1999, Ms.
served as Chairman of Enron International
1996 until May, 1998, Ms. Mark-Jusbasche
Executive Officer of Enron International
1991 until March, 1998, she served as
Executive Officer of Enron Development
Mark-Jusbasche is a member of the Council
Relations and The Chase Manhattan Corp.
Board.

[PHOTO]

JOHN MENDELSON, 63
Director since 1999

served as President of
Cancer Center. Prior
the Department of
Cancer Center in New
ImClone Systems, Inc.

Since July, 1996, Dr. Mendelsohn has
the University of Texas M.D. Anderson
to 1996, Dr. Mendelsohn was Chairman of
Medicine at Memorial Sloan-Kettering
York. Dr. Mendelsohn is a director of

[PHOTO]

Chairman and Chief
electronics
Oregon. Currently, Mr.
of Tektronix,
Insurance Corp. and

JEROME J. MEYER, 62
Director since 1997
For over eight years, Mr. Meyer served as
Executive Officer of Tektronix, Inc., an
manufacturer located in Wilsonville,
Meyer serves as Chairman and as a director
Inc. He is also a director of Standard
Centerspan Communications, Inc.

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[PHOTO]

served as President and
Financial Group and
Pereira is the former
the State Bank of

PAULO V. FERRAZ PEREIRA, 45
Director since 1999
For over five years, Mr. Pereira has
Chief Operating Officer of Meridional
Managing Director of Group Bozano. Mr.
President and Chief Executive Officer of
Rio de Janeiro.

[PHOTO]

Chairman of Alliance
division of Alliance
also a director of
Capital Management L.

FRANK SAVAGE, 61
Director since 1999
Since 1995, Mr. Savage has served as
Capital Management International (a
Capital Management L.P.). Mr. Savage is
Lockheed Martin Corporation, Alliance

Corp. P., Lyondell Chemical Corp. and Qualcomm

[PHOTO]

served as President
January, 1991

Chairman and Chief
Corp. and its

also a director of
Federal Reserve

JEFFREY K. SKILLING, 46
Director since 1997
Since January, 1997, Mr. Skilling has

and Chief Operating Officer of Enron. From
until December, 1996, he served as

Executive Officer of Enron North America
predecessor companies. Mr. Skilling is
Azurix Corp. and the Houston Branch of the
Bank of Dallas.

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[PHOTO]

the Chairman of
a Vice Chairman
has also been
a management
He also serves as
Inc., The Weir

JOHN A. URQUHART, 71
Director since 1990
Mr. Urquhart serves as Senior Advisor to

Enron. From 1991 to 1998, Mr. Urquhart was
of Enron. Since August, 1991, Mr. Urquhart
President of John A. Urquhart Associates,
consulting firm in Fairfield, Connecticut.
a director of TECO Energy, Inc., Hubbell,
Group, plc and Catalytica Inc.

[PHOTO]

Secretary of State for
and Lords. He
until his
April, 1992. Prior
managed a large

JOHN WAKEHAM, 67
Director since 1994
Lord Wakeham is a retired former U.K.

Energy and Leader of the Houses of Commons
served as a Member of Parliament from 1974
retirement from the House of Commons in
to his government service, Lord Wakeham

private practice as a chartered
accountant. He is currently
Chairman of the Press Complaints
Commission in the U.K. and
publicly traded U.K.
chairman or director of a number of
companies. Lord Wakeham is also a director
of Azurix Corp.

[PHOTO] HERBERT S. WINOKUR, JR., 56
Director since 1985
Mr. Winokur is Chairman and Chief
Executive Officer of
Capricorn Holdings, Inc. (a private
investment company) and
Managing General Partner of Capricorn
Investors, L.P.,
Capricorn Investors II, L.P. and Capricorn
Investors III,
L.P., partnerships concentrating on
investments in
restructure situations, organized by Mr.
Winokur in 1987,
1994, and 1999, respectively. Prior to his
current
appointment, Mr. Winokur was Senior
Executive Vice President
and a director of Penn Central
Corporation. Mr. Winokur is
also a director of Azurix Corp., The WMF
Group, Ltd., Mrs.
Fields' Holding Company, Inc., CCC
Information Services
Group, Inc. and DynCorp.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

As of February 15, 2000, Enron knows of no one who beneficially
owns in
excess of 5% of a class of Enron's Voting Stock except as set forth
in the table
below:

AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP

SOLE

VOTING	AND	SOLE
SHARED	AND	VOTING
VOTING	LIMITED	AND
AND	OR NO	PERCENT
TITLE OF CLASS	INVESTMENT	INVESTMENT
OF STOCK	OF BENEFICIAL OWNER	OF
POWER	OTHER	POWER
-----	-----	-----
-----	-----	-----
Common	Robert A. Belfer	8,431,967(1)(2)
138,731(3)	23,599(4)(5)	1.18
Preferred	767 Fifth Avenue	
Convertible	New York, NY 10153	214,580
4,627(6)		17.02
Common	Janus Capital Corporation	59,411,555(7)
8.21		
Preferred	100 Fillmore Street	
Convertible	Denver, CO 80206-4923	
Common	Mr. and Mrs. Lawrence Ruben	7,936,026(8)
2,543,857(9)		1.43
Preferred	600 Madison Avenue	
Convertible	New York, NY 10022	237,968(10)
46,097(11)		22.06
Common	Jack Saltz	2,850,084(12)
1,625,815(13)		*
Preferred	767 Fifth Avenue	
Convertible	New York, NY 10153	70,197
57,159(14)		9.89
Common	Enron Corp.	
17,237,322(15)	2.38	
Preferred	Savings Plan	
Convertible		
70,000(15)	5.44	

* Less than 1%.

(1) Includes 5,858,892 shares that would be acquired upon the conversion of the Preferred Convertible Stock shown in the table as being beneficially owned by Mr. Belfer with sole voting and investment power.

(2) Includes 25,728 shares of Common Stock that are subject to stock options exercisable within 60 days after February 15, 2000, which number is included in the number of shares shown as beneficially owned as of such date.

(3) Includes 12,360 shares held by Mr. Belfer's wife and 35 shares owned by a

limited partnership in which Mr. Belfer is the grantor. Also includes 126,336 shares that would be acquired upon the conversion of the Preferred Convertible Stock shown in the table as being beneficially owned by Mr. Belfer with shared voting and investment power.

(4) Includes restricted shares of Common Stock held under Enron's 1991 Stock Plan (the "1991 Stock Plan"). Participants in the 1991 Stock Plan have sole voting power and no investment power for restricted shares awarded under the 1991 Stock Plan until such shares vest in accordance with 1991 Stock Plan provisions. After vesting, the participant has sole investment and voting powers.

(5) Includes shares held under Enron's Savings Plan (the "Savings Plan"). Participants in the Savings Plan instruct the Savings Plan Trustee as to how the participant's shares should be voted. Additionally, participants have limited investment power with respect to shares in the Savings Plan.

(6) Includes 4,000 shares held by a charitable trust in which Mr. Belfer's son is trustee; 625 shares held by Mr. Belfer's wife; and two shares held by a trust in which Mr. Belfer is co-trustee, in all of which shares Mr. Belfer disclaims beneficial ownership.

(7) Mr. Thomas H. Bailey, ten percent (10%) owner and President and Chairman of Janus Capital Corporation, may be deemed the beneficial owner of the Janus Capital Corporation shares because of such stock ownership and positions.

(8) Includes 25 shares held by Mrs. Ruben as trustee for their son and 122,400 shares held by Mrs. Ruben as trustee for a charitable trust. Also includes 6,497,478 shares that would be acquired upon the conversion of the Preferred Convertible Stock.

(9) Includes 131,574 shares held by Mr. Ruben as co-trustee for his children; 641,560 shares held by Mr. Ruben as co-trustee for his nieces and nephews; 115,105 shares held by a trust in which Mr. Ruben is co-trustee; 59,186 shares held by a trust in which Mrs. Ruben is co-trustee; and 337,800

shares held by charitable foundations in which Mr. and Mrs. Ruben have no pecuniary interest. Also includes 1,258,632 shares that would be acquired upon the conversion of the Preferred Convertible Stock.

(10) Includes 44,807 shares held by Mrs. Ruben as trustee for her children and 3,600 shares held by Mrs. Ruben as trustee for a charitable trust.

(Notes continue on following page)

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(11) Includes 11,051 shares held by Mr. Ruben as co-trustee for his nieces and nephews, in which shares Mr. Ruben has no pecuniary interest; 33,973 shares held by a limited partnership in which Mrs. Ruben is a managing member of the general partnership, but has no pecuniary interest; 73 shares held by a limited liability company in which Mrs. Ruben is a managing member, but has no pecuniary interest; and 1,000 shares held by charitable foundations in which Mr. and Mrs. Ruben have no pecuniary interest.

(12) Includes 1,916,659 shares that would be acquired upon the conversion of the Preferred Convertible Stock.

(13) Includes 5,250 shares held by Mr. Saltz's wife; 42,150 shares held by Mr. Saltz's wife as trustee for their children and 17,746 shares held by a charitable foundation in which Mr. Saltz has no pecuniary interest. Also includes 1,560,669 shares that would be acquired upon the conversion of the Preferred Convertible Stock.

(14) Includes 55,185 shares held by Mr. Saltz's wife as trustee for their children and 1,974 shares held by a charitable foundation in which Mr. Saltz has no pecuniary interest.

(15) Pursuant to the terms of the Savings Plan, shares allocated to employee accounts are voted by the Savings Plan trustee as instructed by the employees. If the trustee receives no voting directions from the respective employees, then all such shares are to be voted by the trustee in the same proportion as the allocated shares that are voted by employees. Includes

1,911,280 shares of Common Stock that would be acquired upon the conversion of the Preferred Convertible Stock.

STOCK OWNERSHIP OF MANAGEMENT AND BOARD OF DIRECTORS AS OF FEBRUARY 15, 2000

AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP

SOLE VOTING AND INVESTMENT TITLE OF CLASS POWER(1)	SHARED VOTING AND INVESTMENT POWER(1)	SOLE VOTING AND LIMITED OR NO INVESTMENT POWER(2)(3)	PERCENT OF NAME CLASS
Enron Corp. Common Stock 8,431,967(4)	138,731(5)	Robert A. Belfer..... 23,599	1.18
45,946		Norman P. Blake, Jr. 180	*
12,424		Ronnie C. Chan..... 180	*
168,962	58,000	John H. Duncan..... 180	*
28,020		Joe H. Foy..... 180	*
1,073,444		Mark A. Frevert..... 64,443	*
712,052		Ken L. Harrison..... 73,439	*
494,360	3,607	Stanley C. Horton..... 37,898	*
55,552		Robert K. Jaedicke..... 180	*
5,351,124	2,396,912(6)	Kenneth L. Lay..... 267,486	1.10
47,812	1,600	Charles A. LeMaistre..... 180	*
523,328		Rebecca Mark-Jusbasche..... 31,358	*
1,648		John Mendelsohn..... 180	*
11,600		Jerome J. Meyer..... 180	*
550		Frank Savage..... 180	*
2,282,101		Jeffrey K. Skilling..... 293,480	*

1,148,488	908	Joseph W. Sutton.....	130,795	*
78,920		John A. Urquhart.....	180	*
14,112		John Wakeham.....	321	*
104,865	12,000(7)	Herbert S. Winokur, Jr.	180	*
29,110,253(4)	2,624,223(5)	All directors and executive officers as a group (36 in number).....	1,681,099	4.47
Enron Corp. Preferred Convertible Stock				
214,580	4,627(8)	Robert A. Belfer.....		17.02
214,580	4,627	All directors and executive officers as a group (36 in number).....		17.02
EOTT Energy Partners, L.P. Common Units				
1,000		Norman P. Blake, Jr.		*
8,500		John H. Duncan.....		*
10,000		Stanley C. Horton.....		*
5,000		Kenneth L. Lay.....		*
19,500	5,000	All directors and executive officers as a group (36 in number).....		*

following page) (Table continues on

AMOUNT AND NATURE OF
BENEFICIAL OWNERSHIP

SOLE	SHARED	SOLE VOTING	
VOTING	VOTING	AND LIMITED	
AND	AND	OR NO	PERCENT
INVESTMENT	INVESTMENT	INVESTMENT	OF
TITLE OF CLASS			NAME
POWER(1)	POWER(1)	POWER(2)(3)	CLASS
-----	-----	-----	-----

Northern Border

Partners, L.P.			
Common Units		Robert A. Belfer.....	*
32,500	18,500(9)		
		Norman P. Blake, Jr.	*
1,500			
		Joe H. Foy.....	*
5,350			
		All directors and executive officers as a group (36 in number).....	*
39,850	18,500		
Azurix Corp.		Robert A. Belfer.....	*
Common Stock			
5,000	5,000	John H. Duncan.....	*
10,000		Joe H. Foy.....	*
2,000		Ken L. Harrison.....	*
10,000		Kenneth L. Lay.....	*
10,000		Rebecca Mark-Jusbasche.....	*
555,550(10)			
		Jeffrey K. Skilling.....	*
20,000			
		Joseph W. Sutton.....	*
20,000			
		John Wakeham.....	*
1,000			
		Herbert S. Winokur, Jr.	*
22,500			
		All directors and executive officers as a group (36 in number).....	*
658,050(10)	6,000		

* Less than 1%.

(1) The number of shares of Enron Common Stock subject to stock options exercisable within 60 days after February 15, 2000, which number is included in the number of shares shown as beneficially owned as of such date, is as follows: Mr. Belfer, 25,728 shares; Mr. Blake, 32,288 shares; Mr. Chan, 10,176 shares; Mr. Duncan, 41,088 shares, for which he has shared voting and investment power for 38,160 of such shares; Mr. Foy, 2,928 shares; Mr. Frevert, 914,264 shares; Mr. Harrison, 660,285 shares; Mr. Horton, 396,998 shares; Dr. Jaedicke, 39,088 shares; Mr. Lay, 5,534,145 shares, for which he has shared voting and investment power for 1,615,330 of such shares; Dr. LeMaistre, 33,728 shares; Ms. Mark-Jusbasche 395,017

shares; Dr. Mendelsohn, 1,648 shares; Mr. Meyer, 5,008 shares; Mr. Skilling, 1,360,010 shares; Mr. Sutton, 941,515 shares; Mr. Urquhart, 63,728 shares; Lord Wakeham, 12,048 shares; Mr. Winokur, 33,728 shares; and all directors and executive officers as a group (36 in number), 18,158,641 shares.

(2) Includes restricted shares of Enron Common Stock held under Enron's 1991 and 1994 Stock Plans (the "Plans") for certain individuals. Participants in the Plans have sole voting power and no investment power for restricted shares awarded under the Plans until such shares vest in accordance with the Plans' provisions. After vesting, the participant has sole investment and voting powers.

(3) Includes shares held under the Savings Plan and/or the Enron Corp. Employee Stock Ownership Plan ("ESOP"). Participants in the Savings Plan instruct the Savings Plan trustee as to how the participant's shares should be voted. Additionally, participants have limited investment power with respect to shares in the Savings Plan. Participants in the ESOP have sole voting power and no investment power prior to distribution of shares from the ESOP. Includes 2,591 shares held by the spouse of Mr. Horton, for which he may be deemed to have shared voting and investment power. Total shares held by the group includes 8,841 shares with shared voting power.

(4) Includes 5,858,892 shares that would be acquired upon the conversion of the Preferred Convertible Stock shown in the table as being beneficially owned by Mr. Belfer with sole voting and investment power.

(5) Includes 12,360 shares held by Mr. Belfer's wife and 35 shares owned by a limited partnership in which Mr. Belfer is the grantor. Also includes 126,336 shares that would be acquired upon the conversion of the Preferred Convertible Stock shown in the table as being beneficially owned by Mr. Belfer with shared voting and investment power.

(6) Includes 482,200 shares held in a charitable foundation in which Mr. Lay has no pecuniary interest.

(7) Shares held in a charitable foundation in which Mr. Winokur has no pecuniary interest.

(8) Includes 4,000 shares held by a charitable trust in which Mr. Belfer's son is trustee; 625 shares held by Mr. Belfer's wife and two shares held by a trust in which Mr. Belfer is co-trustee, in all of which shares Mr. Belfer disclaims beneficial ownership.

(9) Includes 15,500 shares held in trust in which Mr. Belfer's son or wife is trustee or in which Mr. Belfer is trustee or a co-trustee and 3,000 shares held by Mr. Belfer's wife.

(10) The number of shares of Azurix Corp. Common Stock subject to stock options exercisable within 60 days after February 15, 2000, which number is included in the number of shares shown as beneficially owned as of such date, is as follows: Ms. Mark-Jusbasche, 500,000 shares; and all directors and executive officers as a group (36 in number), 500,000 shares.

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BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors held five regularly scheduled meetings and nine special meetings during the year ended December 31, 1999. The Executive Committee meets on a less formal basis and may exercise all of the powers of the Board of Directors, except where restricted by Enron's bylaws or by applicable law. During the year ended December 31, 1999, the Executive Committee met ten times. The Executive Committee is currently composed of Messrs. Duncan (Chairman), Belfer, Foy, Lay, LeMaistre, Skilling and Winokur.

The Board of Directors uses working committees with functional responsibility in the more complex recurring areas where disinterested oversight is required. The Audit and Compliance Committee serves as the overseer of Enron's financial reporting, internal controls and compliance processes. At five meetings during the year ended December 31, 1999, the Audit and Compliance Committee met with the independent auditors, as well as, with Enron officers and

employees who are responsible for legal, financial and accounting matters. In addition to recommending the appointment of the independent auditors to the Board of Directors, the Audit and Compliance Committee reviews the scope of and fees related to the audit, accounting policies and reporting practices, contract and internal auditing and internal controls, compliance with Enron's policies regarding business conduct and other matters as deemed appropriate. The Audit and Compliance Committee is currently composed of Messrs. Jaedicke (Chairman), Chan, Foy, Mendelsohn, Pereira, Wakeham and Dr. Gramm.

The Compensation and Management Development Committee's responsibility is to establish Enron's compensation strategy and ensure that the senior executives of Enron and its wholly owned subsidiaries are compensated effectively in a manner consistent with the stated compensation strategy of Enron, internal equity considerations, competitive practices and the requirements of appropriate regulatory bodies. In meeting eight times during the year ended December 31, 1999, the Compensation and Management Development Committee also continued to monitor and approve awards earned pursuant to Enron's comprehensive executive compensation program, monitor Enron's employee benefit programs and review matters relating to management development and management succession. The Compensation and Management Development Committee is currently composed of Messrs. LeMaistre (Chairman), Blake, Duncan, Jaedicke and Savage.

The Finance Committee serves as a monitor of Enron's finance activities. In meeting five times during the year ended December 31, 1999, the Finance Committee reviewed the financial plans and proposals of management, including equity and debt offerings, changes in stock dividends and the equity repurchase program, changes in the risk management policy, transaction approval process and the policy for approval of guarantees, letters of credit, letters of indemnity, and other support arrangements and recommending action with regard thereto to the Board of Directors. The Finance Committee is currently composed of Messrs. Winokur (Chairman), Belfer, Blake, Chan, Meyer, Pereira, Savage and Urquhart.

The Nominating and Corporate Governance Committee has oversight for

recommendations regarding the size of the Board of Directors, recruiting and recommending candidates for election to the Board of Directors, monitoring the Corporate Governance Guidelines for revision and compliance and periodic evaluation of director independence and performance. This committee met five times during the year ended December 31, 1999. The Nominating and Corporate Governance Committee is currently composed of Messrs. Wakeham (Chairman), Mendelsohn, Meyer and Dr. Gramm.

During the year ended December 31, 1999, each director attended at least 75% of the total number of meetings of the Board of Directors and the committees on which the director served except Ms. Mark-Jusbasche.

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COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

DIRECTOR COMPENSATION

Each nonemployee director of Enron receives an annual service fee of \$50,000 for serving as a director. No additional fees are paid for serving on committees, except that committee chairs receive an additional \$10,000 annually. Meeting fees are \$1,250 for each Board of Directors meeting attended and \$1,250 for each committee meeting attended. Total directors' fees paid in cash, deferred under the Enron Corp. 1994 Deferral Plan (the "1994 Deferral Plan") or received in a combination of phantom stock units and stock options in lieu of cash under the Enron Corp. 1991 Stock Plan, as amended and restated effective May 4, 1999 (the "1991 Stock Plan"), in 1999 were \$1,172,191, or an average of \$86,829 per nonemployee director.

Directors are required to defer 50% of their annual service fee into the Phantom Stock Plan of the 1994 Deferral Plan. In some countries, deferrals into the 1994 Deferral Plan may create adverse tax consequences for the director. In August, 1999, the Compensation and Management Development Committee (the "Committee") approved a change such that upon notification by Enron management of the applicable international tax laws, a director may receive an award of

phantom stock units under the 1991 Stock Plan in lieu of mandatory deferrals into the Phantom Stock Account of the 1994 Deferral Plan. A change was subsequently approved allowing Lord Wakeham to receive phantom stock units in lieu of deferrals into the Phantom Stock Account, beginning with 50% of his retainer earned on December 31, 1999, which resulted in a grant of 141 phantom stock units with a value of \$6,250. As long as Lord Wakeham does not revoke his election, as of July 1 of each year, the Committee shall approve an award of phantom stock units in a number determined by the Committee that will reflect the value of such portion of the retainer fee that is waived by Lord Wakeham for the calendar year. Such award of phantom stock units will fully vest on the fifth anniversary of the date of grant.

Directors can elect to receive remaining fees in cash, defer receipt of their fees to a later specified date under the 1994 Deferral Plan or receive their fees in a combination of phantom stock units and stock options in lieu of cash under the 1991 Stock Plan. Participants in the 1994 Deferral Plan may elect to invest their deferrals among several different investment choices. During 1999, nine directors elected to defer fees under the 1994 Deferral Plan. Prior to 1994, directors were able to defer their fees under Enron's 1985 Deferral Plan, which continues to credit interest on account balances based on 150% of Moody's seasoned corporate bond yield index with a minimum rate of 12%, which for 1997, 1998 and 1999 was the minimum rate of 12%. One director elected to receive stock in lieu of fees in a combination of phantom stock units and stock options according to the terms of the 1991 Stock Plan. During 1999, each nonemployee director received 560 phantom stock units (valued at \$37.5938 per unit on the date of grant) and options to purchase 8,240 shares (with an exercise price of \$37.5938 per share) according to the terms of the 1991 Stock Plan.

The 1991 Stock Plan permits nonemployee directors whose ownership of Enron Common Stock would result in a material conflict of interest for business, employment, or professional purposes, to submit an opinion of counsel of such

fact to the Committee with a request that such nonemployee director not be eligible to receive further grants under the 1991 Stock Plan and to forfeit all outstanding grants made to such nonemployee director until such time as the Committee is satisfied that such conflicts have been removed or no longer apply. In December, 1998, Dr. Gramm provided to the Committee a written opinion of counsel indicating that her continued participation in the 1991 Stock Plan could be considered a conflict of interest; accordingly, she has chosen not to receive further grants under the 1991 Stock Plan. Therefore, Dr. Gramm did not receive stock options or phantom stock units in 1999. Instead, on behalf of Dr. Gramm, Enron contributed \$79,763 (value of phantom stock units and stock options) into her Flexible Deferral Account under the 1994 Deferral Plan.

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REPORT FROM THE COMPENSATION AND MANAGEMENT DEVELOPMENT
COMMITTEE

REGARDING EXECUTIVE COMPENSATION

The Committee of the Board of Directors is responsible for developing the Enron executive compensation philosophy. It is the duty of the Committee to administer the philosophy and its relationship with the compensation paid to the Chief Executive Officer (the "CEO") and each of the other senior executives.

The basic philosophy behind executive compensation at Enron is to reward executive performance that creates long-term shareholder value. This pay-for-performance tenet is embedded in each aspect of an executive's total compensation package. Additionally, the philosophy is designed to promote teamwork by tying a significant portion of compensation to business unit and Enron performance. Base salaries, annual incentive awards and long-term incentive awards are reviewed periodically to ensure consistency with Enron's total compensation philosophy.

Total Compensation

All decisions regarding executive compensation are made based upon performance as measured against pre-established objectives and competitive

practice as measured, utilizing multiple public and private compensation surveys. Each year, Enron conducts an executive compensation study covering executives in the top corporate and business unit positions. The Committee utilizes the services of Towers Perrin, a consulting firm experienced in executive compensation, to conduct the study. Compensation studies evaluate total direct compensation which is defined as base salary, plus most recent actual annual incentive earned, plus the estimated annualized present value of long-term incentive grants.

Competitive compensation rates are developed using published and private compensation survey sources. Data from the sources represent similar positions in general industry and industry specific companies, as appropriate. For example, pipeline industry data, where available, is blended with general industry data for Enron Gas Pipeline Group business unit positions; high-technology industry data is blended with general industry data for many Enron Broadband Services positions; trading industry data is blended with general and energy industry data for commercial positions in Enron North America Corp. ("ENA") and Enron's international regions. Market data is reflective of job level and job type and is aligned with corporate or business unit revenues.

Executives have the opportunity to earn at the 75th percentile or higher level, subject to obtaining performance at the 75th percentile or higher. Higher achievement provides higher value, while lesser performance decreases total compensation. In order to assure that an executive's compensation is tied to performance, more dollars of total compensation are placed at risk, tied to Enron absolute performance and performance relative to the S&P 500 group of companies.

Base Salary

Base salaries for all positions are targeted at the median of the respective markets. The annual salary increase budget is set to maintain Enron's market position. Base pay, as well as, other compensation components are also reflective of individual performance.

Annual Incentive Awards

The primary objective of the Annual Incentive Plan is to promote outstanding performance by Enron in absolute terms, as well as in comparison to its peer companies. The Annual Incentive Plan is funded as a

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percent of recurring after-tax net income as approved by the Committee each year. Payment is based upon Enron's performance against pre-established goals, as well as business unit and individual performance.

Annual bonus payments are based upon Enron's performance measured against the operating plan as approved by the Board of Directors. Key performance criteria such as funds flow, return on equity, debt reduction, earnings per share improvements, and other relevant factors are considered at the option of the Committee. These criteria are weighted each year based upon priorities and may be changed from year to year. A performance review report is presented to the Committee in January. This report summarizes management's view regarding whether, and to what extent, the key performance criteria were attained. The performance review report also discusses any other significant but unforeseen factors that positively or negatively affected Enron's performance. The Committee verifies Enron's actual recurring after-tax net income, reviews management's funding level recommendation and approves the resulting award fund.

In 2000, the Annual Incentive Plan will be provided for Section 16 officers as defined by the Securities Exchange Act of 1934, as amended ("the Exchange Act"), and will be funded as a percentage of recurring after-tax net income (not to exceed five percent) as approved by the Committee and the shareholders and is based upon company performance and competitive industry practice. Downward adjustment of the fund is at the sole discretion of the Committee. However, upward adjustment of the fund, over the formula-driven amount, is not allowed. Since the performance goal of Enron is recurring after-tax net income, the fund increases or decreases based on the earnings performance of Enron.

Business unit performance is measured against the appropriate business unit

annual plan. After the Board of Directors determines the overall funding level, the Office of the Chairman determines the allocations for each operating group based on performance. Individual payouts are based on business unit performance and the employee's individual performance as determined through the Performance Review Committee ("PRC") process. Generally, the Committee will review the individual recommendations for key executives and the Office of the Chairman will approve the recommendations for all other participants.

Long-Term Incentive Grants

Enron's long-term incentive program is designed to tie executive performance directly to the creation of shareholder wealth. Accordingly, in 2000, awards will be made one-half in non-qualified stock options and the other one-half in restricted stock with a performance accelerated vesting feature. The value of an Enron stock option is based upon the value of Enron stock at the time of the grant and other factors, including stock price volatility, dividend rate, option term, vesting schedule, termination provisions and long-term interest rates. A third-party compensation consultant derives the value, which is approved by the Committee. Stock options are granted with a seven-year term, 25% vesting on date of grant and 25% vesting each anniversary date thereafter. Restricted stock cliff vests four years from date of grant. However, vesting can be accelerated based upon Enron's annual cumulative shareholder return relative to the S&P 500.

Long-term incentive targets are set based on executive compensation survey results and as approved by the Committee. Grants are determined based upon the current PRC assessment. Grants are reviewed and approved by the Office of the Chairman and also by the Committee for Section 16 officers. In the past, the Committee has utilized other long-term compensation vehicles that they deemed appropriate.

For 1999, long-term grants to corporate and certain operating company executives consisted of stock options and performance based restricted stock. Prior to 1999, Enron granted performance units to corporate and certain operating company executives. The performance units compare Enron's total

shareholder return to peer group performance over a four-year period.

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Chief Executive Officer Compensation

As part of an annual review, the Committee applies the executive compensation philosophy to the total compensation package of the CEO and the other senior executives. In 1999, Mr. Lay's base salary was \$1,300,000. Mr. Lay has not received a base salary increase since May 1, 1998. Since Mr. Lay's base salary exceeds \$1,000,000, base salary in excess of this amount is deferred into Enron's 1994 Deferral Plan to preserve tax deductibility under Section 162(m). (See "Compliance with Internal Revenue Code Section 162(m)" below).

In recognition of Enron's extremely strong performance during 1999 relative to targeted recurring after-tax net income, Mr. Lay received a cash annual incentive award of \$3,900,000. The Committee determined the amount of the annual incentive award taking into consideration the annual performance report presented by management, which reflected an increase in total recurring after-tax net income of 37% from the previous year, Enron's increase in earnings per share of over 18%, and a total shareholder return of 57.3%, compared to 7.7% for Enron's proxy peer group, 20.9% for the S&P 500 and 27% for the Dow Jones Industrial Average. The Committee also considers market data provided by Towers Perrin.

In January, 2000, Mr. Lay received a long-term incentive award consisting of a grant of stock options, at market value on the date of grant, to acquire 769,235 shares, and a grant of 158,521 shares of restricted stock with performance accelerated vesting features. The stock options have a seven-year term and are 25% vested on the date of grant with 25% vesting on each anniversary of the date of grant for three years. The restricted stock will vest and be released on January 31, 2004. Accelerated vesting may occur if Enron's total shareholder return exceeds S&P 500 performance.

In addition, the accelerated vesting provisions on Mr. Lay's December, 1996 and January, 1997 grants were triggered since Enron's total shareholder return for 1999 was 274% higher than the 1999 S&P 500 performance versus the

performance hurdle of 120% of the S&P 500.

Mr. Lay received a cash payment of \$1,218,750 under the Performance Unit Plan for the 1996-1999 performance period. Payments are made under the Performance Unit Plan if Enron's total shareholder return ranks sixth or greater as compared to 11 industry peers, the S&P 500 and 90-day U.S. Treasury Bills for the four-year performance period. During the measurement period from 1996-1999 Enron's return to its shareholders was 142.6% compared with an average of 78.2% for industry peers, and 20.8% for 90-day U.S. Treasury Bills. This performance earned Enron a ranking of second and therefore, the units had a value of \$1.50.

Compliance with Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally disallows a tax deduction to public companies for compensation over \$1,000,000 paid to a company's CEO and four other most highly compensated executive officers, as reported in its proxy statement. Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. Enron has structured most aspects of the performance based portion of the compensation for its executive officers (which includes stock option grants, performance units and performance-based annual incentive awards) in a manner that complies with the Code. The following plans were presented and approved by shareholders at the Annual Meetings of Shareholders in the years as indicated: the Amended and Restated 1991 Stock Plan (1994, 1997 and 1999), the Amended and Restated Performance Unit Plan (1994 and 1995) and the Annual Incentive Plan (1994 and 1999).

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Summary

The Committee focuses on ensuring there is a strong link between the success of the shareholder and the rewards of the executives. This success is evidenced by the increase in shareholder value from 1990 to 1999, during which time a shareholder who invested \$100 in Enron Common Stock would have received

\$789, or a 689% increase in value, compared to 423% for the S&P 500 and 262% for industry peers. The Committee believes that with the present plan designs, management will continue to strive to increase shareholder value.

Compensation and Management Development Committee

Charles A. LeMaistre (Chairman)
Norman P. Blake, Jr.
John H. Duncan
Robert K. Jaedicke
Frank Savage

COMPARATIVE STOCK PERFORMANCE

As required by applicable rules of the Securities and Exchange Commission (the "SEC"), the graph below was prepared based upon the following assumptions:

1. \$100 was invested in Enron Common Stock, the S&P 500 and the peer group as referenced below on December 31, 1994.
2. The peer group investments are weighted based on the market capitalization of each individual company within the peer group at the beginning of each year and the trading activity of the stock of each individual company during the year.
3. Dividends are reinvested on the ex-dividend dates.

The companies that comprise Enron's original peer group are as follows: BG Group plc; BP Amoco Corporation (through January 4, 1999); The Coastal Corporation; Columbia Energy Group; Consolidated Natural Gas Company; Duke Energy Corporation; Dynegy Inc.; El Paso Energy Corporation; Occidental Petroleum Corporation; Sonat Inc. (through October 25, 1999); and The Williams Companies, Inc.

As a result of mergers and divestitures in 1998 and 1999, the following peer group changes have been made: BP Amoco Corporation, due to its merger with British Petroleum, has been replaced by PG&E Corporation; Sonat Inc., due to its merger with El Paso Energy Corporation, has been replaced by The AES Corporation.

Accordingly, the companies that comprise Enron's current peer group are as follows: The AES Corporation; BG Group plc; The Coastal Corporation; Columbia

Energy Group; Consolidated Natural Gas Company; Duke Energy Corporation; Dynegy Inc.; El Paso Energy Corporation; Occidental Petroleum Corporation; PG&E Corporation; and The Williams Companies, Inc.

Although this method of calculating shareholder return differs from the method that Enron uses for purposes of its Performance Unit Plan, it does display a similar trend.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN
Enron Corp., S&P 500 and Peer Group
(Performance Results Through December 31, 1999)

[PEFORMANCE GRAPH]

	1997	1998	1999	1994	1995	1996
Enron Corp.	\$147.81	\$145.80	\$204.17	\$100.00	\$127.92	
S&P 500	\$169.47	\$226.03	\$290.22	\$100.00	\$137.50	
Peer Group - Original	\$139.47	\$178.68	\$217.06	\$100.00	\$117.31	
Peer Group - Current	\$128.45	\$189.84	\$210.27	\$100.00	\$113.21	
				\$321.91	\$349.08	\$214.53

On a ten-year basis, \$100 invested in Enron Common Stock on December 31, 1989, would provide a return to shareholders of 689% through December 31, 1999 as compared to an investment in the S&P 500, which would yield a return of 423%, or Enron's peer groups which would yield a return of 262% for the same time period.

In July, 1999, Enron announced a 2-for-1 stock split which became effective on August 13, 1999. All references to stock options and restricted stock in the compensation tables, supporting footnotes, contracts and other transactions sections reflect the 2-for-1 stock split.

