



CenterPoint Energy Receives Ruling From Travis County District Court on Its Appeals of Stranded Cost Determination

Judge Restores Portion of Amount Disallowed By Public Utility Commission

HOUSTON, Aug 26, 2005 /PRNewswire-FirstCall via COMTEX/ -- A Travis County District Judge issued his final judgment today on the various appeals taken from the order issued by the Public Utility Commission of Texas last December determining the stranded costs and other transition costs due to CenterPoint Energy under the Texas electric restructuring law. Judge John K. Dietz affirmed most aspects of the PUC's order but reversed two of the Commission's rulings. The court's judgment would have the effect of restoring approximately \$620 million, plus interest, of the \$1.7 billion the PUC had disallowed from CenterPoint Energy's initial request.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20020930/CNPLOGO>)

"We are pleased that Judge Dietz has corrected two important deficiencies in the PUC's order," said Scott E. Rozzell, executive vice president and general counsel for CenterPoint Energy. "However, we continue to believe the Commission failed to follow the statute and the applicable regulations in other significant respects, and we plan to seek further review from the appellate courts to correct these errors. Ultimately, the appeal process could take an additional two years to complete if the case goes all the way to the Texas Supreme Court."

The company filed its stranded cost true-up request in March 2004, seeking \$3.7 billion plus interest related to the restructuring of the Texas electric industry. In December, the PUC issued a final order authorizing the company to recover approximately \$2 billion plus interest. CenterPoint Energy and a number of other parties appealed the PUC's decision.

Judge Dietz's decision on these appeals reversed the PUC decision to prohibit CenterPoint Energy from recovering \$180 million in credits that the company was ordered to make as a result of a stranded cost estimate made by the PUC in 2000 that subsequently proved to be inaccurate. The ruling also reversed the PUC's disallowance of \$440 million in transition costs recoverable under the PUC's regulations. Additional credits paid after August 2004 and interest would be added to these amounts.

Parties will have 30 days to appeal the district court decision to the 3rd Court of Appeals in Austin.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and sales, and interstate pipeline and gathering operations. The company serves nearly five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas. Assets total approximately \$16 billion. With more than 9,000 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit the Web site at <http://www.CenterPointEnergy.com> .

This news release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this news release regarding future financial performance and results of operations and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the ultimate outcome of the true-up proceeding and any legal proceedings related thereto, the timing and impact of future regulatory and legislative decisions, effects of competition, weather variations, changes in CenterPoint Energy's or its subsidiaries' business plans, financial market conditions, the timing and extent of changes in commodity prices, particularly natural gas, the impact of unplanned facility outages and other factors discussed in CenterPoint Energy's and its subsidiaries' Form 10-Ks for the period ended December 31, 2004, Form 10-Qs for the periods ended March 31, 2005, and June 30, 2005, and other filings with the Securities and Exchange Commission.

SOURCE CenterPoint Energy, Inc.

media, Floyd LeBlanc, +1-713-207-7125, or investors, Marianne Paulsen, +1-713-207-6500, both of CenterPoint Energy, Inc.

<http://www.prnewswire.com>

Copyright (C) 2005 PR Newswire. All rights reserved.

News Provided by COMTEX