



## **CenterPoint Energy Electric Unit Files Rate Package in Response to Provision in 2006 Rate Case Settlement Agreement**

### **Filing supports 5 percent increase to retail providers, revised AMS plan, proposed alternative ratemaking mechanism and retention of authorized ROE**

HOUSTON, June 30, 2010 /PRNewswire via COMTEX News Network/ -- CenterPoint Energy, Inc.'s (NYSE: CNP) electric transmission and distribution business, CenterPoint Energy Houston Electric, LLC (CEHE), today filed with the Public Utility Commission of Texas (PUC) and the cities in its service area, cost data and other information that supports a base rate increase for delivery charges of approximately \$76 million to the retail electric providers (REPs) that sell electricity to end-use customers in CEHE's service territory. The rate package also supports an increase of \$18 million for wholesale transmission customers.

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"The rate filing is in response to a provision in the company's 2006 rate case settlement agreement that required us to file a rate case no later than June 30, 2010, unless the parties to the agreement agreed that a rate case was not required," said Wayne Roesler, division vice president of rates and regulatory for CenterPoint Energy's regulated operations. "The parties did not relieve us of that filing requirement."

Based on the statutory timeline prescribed for action on filings such as this, CEHE expects that a decision could be rendered by the PUC by late 2010.

CEHE's transmission and distribution charges at issue in this case represent about 30 percent of the monthly bill that a residential customer using 1,000 kWh per month pays to their REP. Any changes to CEHE's delivery rate would be included in the billing to the REP, who would in turn, determine whether those changes would be passed on to the end-use customer. If the increase supported by CEHE's filing is approved in full and passed through to the consumer by the REP, the impact to a residential customer using 1,000 kWh per month would be \$5.53 per month, or an increase of about 5 percent.

In today's filing, CEHE is also requesting to reconcile its current Advanced Metering System (AMS) costs incurred as of March 31, 2010, and to revise its estimated AMS costs to complete the project reflecting the Department of Energy (DOE) stimulus grant. CEHE was awarded \$200 million in stimulus funds by the DOE, \$150 million of which was granted to accelerate the company's five-year AMS deployment to three years. The reconciliation plan also requests that the duration of the residential AMS surcharge be shortened by six years from the original 12-year plan.

The company is also proposing an alternative ratemaking mechanism, called the Distribution Cost Recovery Factor (Rider DCRF), to adjust rates to reflect changes in its costs on an annual basis. Rider DCRF would streamline and reduce the costs of rate change requests and permit the company to receive timely recovery of new infrastructure investments and operating costs including the cost of implementing PUC and other regulatory authorities' policy directives for new programs such as those related to hardening the distribution system against storms, the intelligent grid, electric vehicles, and energy efficiency.

CEHE's filing also seeks to retain CEHE's most recently authorized return on equity of 11.25 percent and proposes that rates be based on a capital structure of 50 percent equity and 50 percent long-term debt in order to attract investment capital on reasonable terms. "We strongly believe that a fiscally healthy utility is good for customers, shareholders and the State of Texas," said Scott Prochazka, division senior vice president of electric operations for CenterPoint Energy. "A competitive authorized return and more appropriate capital structure will allow the company to attract debt capital at a lower cost. Reduced debt costs can result in lower rates for consumers."

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, interstate pipelines and field services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total nearly \$20 billion. With about 8,800 employees, CenterPoint Energy and its predecessor companies have been in business for more than 135 years. For more information, visit the Web site at

[www.CenterPointEnergy.com](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 benefits of Rider DCRF, the benefits of the proposed capital structure and rate of return, the timing for ultimate action by the PUC and other regulatory authorities and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the timing and outcome of appeals from the true-up proceedings, the timing and impact of future regulatory, legislative, and IRS 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 fiscal year ended December 31, 2009, CenterPoint Energy, Inc.'s and its subsidiaries' Form 10-Qs for the quarterly period ended March 31, 2010, and other filings with the Securities and Exchange Commission.

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