



IBM Names CNP as Founding Member of Industry Coalition

Texas-based Utility Begins Limited Deployment to Apply 'Smart' Technologies Within Its Electric Distribution System to Improve Reliability and Energy Efficiency

Armonk, NY and Houston, TX --April 11, 2007 - Today, IBM announced that it has begun a new coalition to accelerate the adoption of Intelligent Utility Network (IUN) technologies and solutions on a global basis. CenterPoint Energy, Inc.'s (NYSE: CNP) electric transmission and distribution subsidiary, CenterPoint Energy Houston Electric, LLC, is the founding member of a group of utility companies working with IBM on this initiative.

The Intelligent Utility Network Coalition is being launched and developed by IBM to help accelerate the adoption of IUN technologies and solutions on a global basis. This effort will include: establishing an industry community for collaboration, knowledge sharing, education and innovation; working with energy industry and standards groups, and the development and deployment of IUN strategic solutions and technologies. Utilities and related companies based in the United States, Europe and Asia-Pacific are expected to join CenterPoint Energy in the initiative over the next several months.

"We're excited to be the founding member of this coalition. We expect that the Intelligent Grid will improve electric power line grid planning, operations, and maintenance, enabling us to deliver power more efficiently. We also expect the technology to contribute to fewer and shorter outages and higher productivity while maintaining our high level of data security," said Tom Standish, CenterPoint Energy Group President, Regulated Operations. "This innovative technology will provide on-demand data and information that will create a platform for exciting new products and better service for our customers."

IBM and CenterPoint Energy are engaged in a strategic effort to develop and deploy IUN solutions designed to enhance the efficiency and reliability of utility operations at CenterPoint Energy and to increase the ability of customers to manage and use energy in a more cost-effective and energy-efficient way.

IBM and CenterPoint Energy have been collaborating on several projects including the initial limited deployment of an Advanced Meter Infrastructure (AMI), which allows remote connection and disconnection of service and automated meter reads for customers in the Greater Houston area. In the future, this technology is designed to allow Retail Electric Providers (REPs) in the competitive Texas electric market the opportunity to offer customers enhanced products and services, and to facilitate movement by customers between electric providers. The new technology is also expected to give customers the ability to better manage their energy usage using real time price signals and the ability to remotely control appliances to reduce consumption.

In conjunction with the AMI project, IBM and CenterPoint Energy are implementing components of a "self-healing grid," which will provide grid data, information and analytics to improve outage detection and outage restoration times, grid planning, and ongoing operations. This limited deployment provides the field trials that will enable CenterPoint Energy to have an automated and proactive capability to anticipate problems, find solutions and optimize the performance of its power delivery system. For customers, that would mean improved electric service reliability, as well as better and quicker responses to outages. IBM Global Services is collaborating with CenterPoint Energy on the implementation and deployment of the telecommunications network required to support IUN initiatives, including the design and implementation support for the Broadband over Power Lines (BPL) technology used as a component of the overall communication infrastructure.

IBM has tapped its wide range of energy industry business consultants and technology experts to provide the overall architecture, solution design and development across these projects, along with project management and system integration services in close collaboration with CenterPoint Energy. CenterPoint Energy engineers, managers and operations personnel are contributing their industry knowledge and experience to help develop solutions as the technical advances are placed into service within the company's electric infrastructure. The new initiative announced today extends an IUN 'roadmap' which IBM and CenterPoint Energy have developed, in consideration of the US Department of Energy's "Grid 2030" initiative, the US Department of Energy's GridWise vision, and the Electric Power Research Institute's (EPRI) Intelligent Grid framework.

"The Intelligent Utility Network will transform the way power is delivered, managed and used," said Guido Bartels, General Manager, IBM Global Energy & Utilities Industry. "We are delighted to have CenterPoint Energy join us as the founding member of this strategic global coalition, which brings our shared vision to life. As the group grows to include other utility companies and partners, members will have unique opportunities to apply new ways of thinking, new technologies and management strategies. This initiative will provide a forum for exchanging ideas and best practices with the other strategic IUN partners. This type of sharing and collaboration is a prime example of teaming to innovate."

An Intelligent Utility Network, or IUN, is an information architecture and infrastructure that enables the continuous automated

monitoring of a utility's assets and operations as well as customer electricity usage, and uses this "on demand" information to improve service, reliability and efficiency. This includes a combination of "smart" technologies and analytics, which connect and facilitate information flows and remote monitoring and control among utility equipment installed in the field and computers in central offices, providing real-time access to operations and business data. Characteristics of a utility operating in an IUN environment include:

- More automation in monitoring and control of the power usage and the electric grid,
- Greater integration of the grid to create an end-to-end system from the utility to the home, and from the home back to the utility, and
- Greater responsiveness to changing market conditions and regulatory compliance.

About CenterPoint Energy

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 over \$17 billion. With about 8,600 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit the Web site at www.CenterPointEnergy.com.

About IBM:

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