



CenterPoint Energy Closes on New Credit Facilities

Company Cuts Interest Costs, Extends Maturities and Provides Backstop Financing for \$1.31 Billion Term Loan Maturity

HOUSTON, March 7, 2005 /PRNewswire-FirstCall via COMTEX/ -- CenterPoint Energy, Inc. (NYSE: CNP) announced that it has successfully closed today on three new bank credit facilities totaling \$2.51 billion.

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

"These transactions support our financing strategy, which is to reduce our borrowing costs, ensure adequate liquidity and provide financial flexibility for the company and its subsidiaries," said Gary L. Whitlock, chief financial officer of CenterPoint Energy. "These new facilities have attractive interest rates and terms. We now have revolving credit facilities at the parent company and at CenterPoint Energy Houston Electric that do not mature for five years. We have also put in place a facility at CenterPoint Energy Houston Electric to address the November 2005 maturity of a \$1.31 billion term loan."

The first credit facility is a \$1 billion (first drawn cost of LIBOR +100 basis points) senior unsecured revolving credit facility at CenterPoint Energy, which will mature in 2010. This new facility replaced a \$750 million (LIBOR + 300 basis points) revolving facility dated Oct. 7, 2003, which was reduced to its present size in December 2004 and would have matured in October 2006. This new facility will be used for commercial paper back-up and other general corporate purposes.

The other two facilities are at the company's electric transmission and distribution subsidiary, CenterPoint Energy Houston Electric, LLC (CEHE), and consist of a:

- * \$200 million (first drawn cost of LIBOR +75 basis points), five-year senior unsecured revolving credit facility (CEHE revolver) to be used for general corporate purposes, and a
- * \$1.31 billion (LIBOR +75) senior secured revolving credit facility, (CEHE backstop facility), which can be used, if necessary, in the event that proceeds from the issuance of transition bonds are not received prior to the Nov. 11, 2005, maturity of the Berkshire Hathaway and Credit Suisse First Boston credit facility and the company has not otherwise accessed the capital markets to refinance this maturity. Any drawings under this facility will be secured by general mortgage bonds. This facility is available until November 16, 2005, and any outstanding borrowings may be termed out for a period of two years.

In each case, the borrowing costs given are based on the companies' current credit ratings. Additionally, the new credit agreements do not impose any limits on the dividend that may be paid on CenterPoint Energy's common stock.

The global coordinators for the three facilities are J.P. Morgan Securities Inc. and Citigroup Global Markets Inc., who also served as joint lead arrangers and bookrunners for the parent facility. Deutsche Bank Securities Inc. and Wachovia Capital Markets, LLC served as joint lead arrangers and bookrunners for the CEHE backstop facility. Banc of America LLC and Barclays Capital served as joint lead arrangers and bookrunners for the CEHE revolver. The administrative agent for the CenterPoint Energy facility and for the CEHE revolver is JPMorgan Chase Bank, N.A. The administrative agent for the CEHE backstop facility is Citibank, N.A.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and sales, interstate pipeline and gathering operations and an electric generation business that the company is under a contract to sell. The company serves nearly five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total about \$17 billion after giving effect to the first step in the sale of Texas Genco Holdings, Inc. 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. You can generally identify forward-looking statements by the words "believe," "will," "expect" or other similar words. Factors that could affect actual results include the timing and impact of future regulatory and legislative decisions, effects of competition, weather variations, changes in CenterPoint Energy's business plans, financial market conditions and other factors discussed in CenterPoint Energy's filings with the Securities and Exchange Commission.

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media, Leticia Lowe, +1-713-207-7702, or investors, Marianne Paulsen, +1-713-207-6500, both of CenterPoint Energy, Inc.

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