



CenterPoint Energy Announces Texas Supreme Court Ruling on Stranded Cost Interest

HOUSTON, Jun 18, 2004 /PRNewswire-FirstCall via COMTEX/ -- CenterPoint Energy, Inc. (NYSE: CNP) announced today that the Texas Supreme Court ruled that interest on stranded costs began to accrue as of January 1, 2002 and reversed the Public Utility Commission of Texas' (PUC) rule to the contrary. The Court remanded the rule to the PUC to review the interaction between the Court's interest decision and the PUC's capacity auction true-up rule.

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Under the true-up rule adopted by the PUC, electric utilities were permitted to recover interest on stranded costs. The PUC ruled, however, that interest would begin accruing only from the date of the PUC's final order in the 2004 true-up proceeding. CenterPoint Energy appealed that ruling to the Texas Supreme Court, contending that Texas law calls for interest to begin accruing on January 1, 2002, the start date of retail electric competition.

"We are pleased that the Supreme Court today confirmed that interest on stranded costs begins to accrue upon the creation of those costs and not at the conclusion of an administrative proceeding," said Scott Rozzell, executive vice president and general counsel for CenterPoint Energy. "Now that this issue has been settled, we look forward to working with the PUC and other parties to resolve the issues remanded to the PUC and bring our true-up proceeding to a timely conclusion."

CenterPoint Energy expects the PUC to issue a final ruling in the company's true-up proceeding by the end of August.

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 more than 14,000 megawatts of power generation in Texas, of which approximately 2,500 megawatts are currently in mothball status. The company serves nearly five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total over \$21 billion. With more than 11,000 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> .

SOURCE CenterPoint Energy, Inc.

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