



CenterPoint Energy Files to Issue Low-Cost Securitization Bonds to Fund PUC-Authorized True-Up Balance

HOUSTON, Dec 2, 2004 /PRNewswire-FirstCall via COMTEX/ -- CenterPoint Energy, Inc.'s (NYSE: CNP) electric transmission and distribution subsidiary, CenterPoint Energy Houston Electric, today filed for approval of a financing order to issue low-cost securitization bonds to fund the \$2.301 billion true-up balance authorized by Public Utility Commission of Texas (PUC) on Nov. 23.

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

"Funding as much of the company's true-up balance as possible through securitization bonds at low interest rates, currently less than five percent, will save customers hundreds of millions of dollars in interest charges, compared to more traditional utility rate-making. This securitization process is one of the principal consumer benefits of the 1999 Texas Electric Choice Act," said Scott E. Rozzell, executive vice president and general counsel for CenterPoint Energy. "We believe the Commission will act expeditiously on our filing in order to take advantage of these low interest rates."

The financing order will include a number of adjustments in addition to the approved \$2.301 billion true-up balance, including adjustments for certain taxes, costs of securitization bond issuance and interest and other approved charges that have accrued since the end of August, the reference date for the true-up balance.

CenterPoint Energy maintains the electrical system that delivers power to Houston-area customers, and charges a regulated delivery rate to retail electric providers. This delivery rate represents only a small part of customers' overall electric bill. Securitizing the full amount will increase the amount the company charges retail electric providers, which in turn increases the monthly bill for a PUC benchmark residential customer (1,000 kwh/month), by approximately \$3 per month.

By law, the PUC has 90 days from this filing date in which to issue a financing order. The company expects to issue the securitization bonds in the first half of 2005 once the financing order is issued.

The docket number is 30485 and can be accessed on the PUC's web site at <http://www.puc.state.tx.us/index.cfm>

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 \$19 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> .

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 amount and timing of securitization of the amounts awarded in the true-up proceeding, the timing and impact of future regulatory and legislative decisions, successful consummation and timing of the sale of Texas Genco, 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, 2003, Form 10-Qs for the periods ended March 31, 2004, June 30, 2004, and September 30, 2004 and other filings with the Securities and Exchange Commission.

SOURCE CenterPoint Energy, Inc.

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