



CNP Remains Committed to Debt Reduction

HOUSTON, TX - Nov. 4, 2002 - CenterPoint Energy, Inc. (NYSE: CNP) today said that Moody's Investors Service's decision to reduce its credit ratings and the ratings of its gas distribution subsidiary from Baa2 to Ba1 will not affect the company's commitment to its ultimate goal of reducing its level of debt and increasing its financial flexibility, nor will it affect its commitment to customer service. The downgrade will result in a 50 basis point increase in the cost of the recently negotiated \$4.7 billion credit facilities. The senior secured rating of the company's electric transmission and distribution subsidiary remains investment grade.

"Despite today's action by Moody's, we remain focused on effectively managing our companies as we move toward the 2004 recovery of the investment in our generating units," said David M. McClanahan, CenterPoint Energy's president and chief executive officer. In 2004 CenterPoint Energy intends to sell all of its generating assets and, under the Texas electric restructuring law, will be entitled to recover all of its stranded investment. At that time the company will reduce its debt to levels more typical for combination gas and electric utilities.

"I want to assure our customers we will continue to provide the safe and reliable service that they have come to expect from us," McClanahan added. "We remain committed to serving our customers' needs as we go through this transition and beyond."

The company continues to possess the following strong business fundamentals:

- Large scale, diversified regulated businesses with a balanced mix of electric and natural gas assets.
- Low business risk profile with minimal commodity risk exposure compared to other combination gas/electric companies.
- Consistent, predictable earnings and cash flow.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission and distribution, natural gas distribution and sales, interstate pipeline and gathering operations, and more than 14,000 megawatts of power generation in Texas. The company serves nearly five million customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Missouri, Oklahoma, and Texas. Assets total nearly \$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 our Web site at www.CenterPointEnergy.com.

This news release includes forward-looking statements. Actual events and results may differ materially from those projected. 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.