



CenterPoint Energy Receives Ruling From Austin Court of Appeals in Company's True-Up Case

Court Reverses Portion of District Court's Decision, Company to Appeal

HOUSTON, Dec 20, 2007 (PrimeNewswire via COMTEX News Network) -- The Texas 3rd Court of Appeals in Austin today issued its decision in the appeal of the true-up order issued by the Public Utility Commission of Texas (Commission) to CenterPoint Energy, Inc.'s (NYSE:CNP) transmission and distribution subsidiary, CenterPoint Energy Houston Electric, LLC (CEHE).

The company originally filed its stranded cost true-up request in March 2004, seeking \$3.7 billion plus interest. In December 2004, the Commission issued a final order authorizing the company to recover approximately \$2 billion plus interest. CenterPoint Energy and a number of other parties appealed the Commission's decision.

In its opinion, the Court of Appeals reversed portions of an earlier decision by an Austin district court that would have allowed CEHE to recover certain costs related to the capacity auction true-up aspect of CEHE's 2004 stranded cost "true-up" filing. In addition, the Court of Appeals reversed the Commission's true-up order to the extent it allowed CEHE to recover certain excess mitigation credits that CEHE had been required to pay to Reliant Energy, Inc. (Reliant), but it did uphold a ruling by the district court that CEHE is entitled to the interest component of excess mitigation credits paid to retail electric providers other than Reliant. In response to a request from the Commission, the Court of Appeals ordered that the Commission's decision on tax normalization be remanded for further consideration. In all other respects, the Court of Appeals affirmed the Texas Utility Commission's true-up order, as modified by the district court's earlier ruling.

When compared to the Commission's final true-up order, the Court of Appeals decision has the effect of reversing the Commission's decision (1) to disallow recovery of the \$73 million interest component of the excess mitigation credits paid by CenterPoint to retail energy providers other than Reliant; (2) to disallow recovery of \$146 million in excess deferred federal income taxes and investment tax credits; (3) and to allow recovery of \$278 million in excess mitigation credits paid to Reliant. Additionally, appropriate interest would be applicable to these amounts.

"We are disappointed the Court of Appeals has reversed portions of the District Court's decision that corrected certain errors in the Commission's ruling on our 2004 stranded cost 'true-up' filing, as well as a favorable component of the Commission's ruling that had been affirmed by the District Court," said Scott E. Rozzell, executive vice president and general counsel for CenterPoint Energy. "Because we believe that parts of the Court of Appeals' decision are at odds with the 1999 restructuring law, we will ask the Texas Supreme Court to correct those errors," Rozzell added.

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.

The CenterPoint Energy logo is available at <http://www.primenewswire.com/newsroom/prs/?pkgid=3588>

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 timing and outcome of appeals from the true-up proceedings, the timing and impact of future regulatory, legislative and IRS decisions, 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, 2006, CenterPoint Energy's and its subsidiaries' Form 10-Qs for the periods ended March 31, 2007, and June 30, 2007, CenterPoint Energy's Form 10-Q for the period ended September 30, 2007, and other filings with the Securities and Exchange Commission.

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