



CenterPoint Energy to Revise Financial Statements; No Effect on Net Income, Earnings Per Share or Cash Flow

HOUSTON, Dec 16, 2005 /PRNewswire-FirstCall via COMTEX News Network/ -- CenterPoint Energy, Inc. (NYSE: CNP) and its indirect, wholly-owned subsidiary, CenterPoint Energy Resources Corp. (CERC together with CenterPoint Energy, the Companies), have determined that during 2004 and 2005, certain transactions involving purchases and sales of natural gas among divisions within the natural gas distribution segment were not properly eliminated in the consolidation of the Companies' financial statements. As a result, revenues and natural gas expenses for both Companies during 2004 were overstated by approximately \$520 million. For the nine months ended Sept. 30, 2005, revenues and natural gas expenses for both Companies were overstated by approximately \$430 million for the same reason.

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

"We take any accounting errors very seriously," said Gary L. Whitlock, executive vice president and chief financial officer for CenterPoint Energy. "However, it is very important for the public to understand that our natural gas sales volumes were properly reported and that these errors had no effect on the Companies' previously reported operating income, net income, earnings per share or cash flow."

In reviewing various qualitative materiality factors contained in the Securities and Exchange Commission's Staff Accounting Bulletin No. 99, the Companies have further determined that these errors did not mask a change in earnings or other trends, hide a failure to meet analysts' consensus expectations for the Companies, change a loss into income or vice versa, affect the Companies' compliance with regulatory requirements, affect the Companies' compliance with loan covenants or other contractual requirements, involve concealment of an unlawful transaction, or have the effect of increasing compensation for any officer or employee.

As a result of these errors in accounting for revenues and natural gas expenses, the audit committee of CenterPoint Energy's board of directors concurred with the conclusion of management that the Companies will restate the previously issued consolidated financial statements for 2004 through the filing of amended Forms 10-K and will restate the previously issued consolidated financial statements for the first three quarters of 2005 through the filing of amended Forms 10-Q. These amended filings are expected to be made by Dec. 31, 2005, although the preparation and related review of the amended consolidated financial statements is continuing and further time could be required. CenterPoint Energy is also reviewing the design and effectiveness of its internal control and disclosure processes and will implement appropriate revisions prior to Dec. 31, 2005.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and sales, and interstate pipeline and gathering operations. The company serves nearly five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total approximately \$16 billion. 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 <http://www.CenterPointEnergy.com> .

SOURCE CenterPoint Energy, Inc.

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