



CenterPoint Energy and IBM Announce Deployment of Intelligent Grid Technology

- Broadband Over Power Lines Expected to Enhance Efficiency and Reliability of Utility Operations -

Feb 06, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- CenterPoint Energy, Inc.'s (NYSE: CNP) electric transmission and distribution subsidiary, CenterPoint Energy Houston Electric, will follow a Broadband over Power Lines (BPL) pilot program completed in 2005 with a limited deployment of Intelligent Grid technology, which will focus on enhancing the efficiency and reliability of CenterPoint Energy's utility operations. IBM has been selected as the technology and implementation partner for the project.

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

The limited deployment of Intelligent Grid technology will involve CenterPoint Energy installing, testing and monitoring automated meter reading (AMR) of electric and natural gas meters, remote connection and disconnection of electric service, and automated outage detection and restoration. BPL technology will be used for the data communications network.

"An Intelligent Grid would provide us with on-demand data and information that would enhance service to our customers and improve electric power line grid planning, operations and maintenance," said Don Cortez, Vice President of Distribution Support for CenterPoint Energy's electric operations. "This would contribute to fewer and shorter outages, better customer service, improved operating costs and security, and higher productivity."

IBM will act as CenterPoint Energy's technology partner in the deployment, for which IBM has tapped its wide range of energy industry business consultants and technology experts to provide overall project management and system integration services. IBM Global Services will also design and build the BPL network for the project, aid CenterPoint Energy in the design of the automated meter management (AMM) system, develop associated interfaces with existing systems, and provide technical operations support.

"IBM has been collaborating with many utilities around the world on defining and implementing Intelligent Grid strategies for their businesses," said Raymond Blair, Vice President of BPL Initiatives, IBM Energy and Utility Industry. "We're thrilled to be working with CenterPoint Energy on this initiative, which brings IBM's vision of Intelligent Grids to life, where utility companies are able to view and respond to the health and status of their entire network, in real-time. This is a prime example of teaming to innovate."

During 2006, CenterPoint Energy will deploy the new technology in three separate areas of Houston covering a diverse mix of electric (44,500) and gas (22,500) customers, as well as multi- and single-family homes and commercial customers.

To date, CenterPoint Energy has taken a disciplined approach in its evaluation of BPL and distribution automation opportunities. In this new deployment, a key objective will be to validate the projected benefits, cost and performance metrics, and installation and operational processes. In addition, the company will work with IBM to establish overall benchmarks for a potential full deployment. Internet and other consumer applications are not a part of the 2006 limited deployment of the Intelligent Grid, but may be considered in the future.

In preparation for the limited deployment of the Intelligent Grid technology, CenterPoint Energy selected IBM as its technology partner and opened a BPL Technology Center in May 2005 for testing distribution automation applications and to serve as a demonstration site to show the capabilities of BPL for the utility industry.

CenterPoint Energy, with consulting assistance from IBM, also completed a pilot program in 2005, which demonstrated the capabilities of BPL in the home with Internet access, Internet phone service and advanced gas and electric metering. The pilot involved a 250 home area in Houston.

About CenterPoint Energy

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 the Web site at <http://www.CenterPointEnergy.com> .

About IBM

IBM is the world's largest information technology company, with more than 80 years of leadership in helping businesses innovate. IBM Energy and Utilities Industry brings together IBM resources, including information technology, deep industry insights, and research expertise, to help clients in the energy and utilities industry to serve their customers better, work more efficiently and become on demand businesses. For more information, visit <http://www.ibm.com/industries/utilities> .

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 events and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the financial performance of CenterPoint Energy, the timing and impact of future regulatory decisions, and other factors discussed in CenterPoint Energy's Form 10-K for the period ended Dec. 31, 2004, and Form 10-Qs for the periods ended March 31, June 30, and Sept. 30, 2005, and other filings with the Securities and Exchange Commission.

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