



CenterPoint Energy remarkets \$150.85 million of pollution control bonds at lower interest rate

HOUSTON - July 1, 2003 - CenterPoint Energy, Inc. (NYSE:CNP) today announced that a new, long-term interest rate of 4 percent is expected to be established for two outstanding series of pollution control bonds issued on behalf of the company by two governmental authorities. The remarketed bonds, totaling \$150.85 million, include \$91.945 million issued by the Brazos River Authority and \$58.905 million issued by the Matagorda County Navigation District Number One. The bonds were initially issued in July 1995 at an interest rate of 5.8 percent. The new interest rate is expected to become effective on July 9, 2003. The bonds will mature in 2015.

CenterPoint Energy's installment payment obligations are collateralized by first mortgage bonds of its electric transmission and distribution subsidiary, CenterPoint Energy Houston Electric, LLC. Payment of the principal of and interest on the bonds when due is guaranteed by a financial guaranty insurance policy issued by MBIA. Proceeds from the remarketing will be used to repay current holders of the remarketed bonds when they are purchased in lieu of redemption.

The remarketing of the bonds is not required to be registered under the Securities Act of 1933. This news release does not constitute an offer to sell, or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering would be unlawful.