



CenterPoint Energy Gas Transmission Company addresses FERC show cause order

HOUSTON - September 16, 2003, CenterPoint Energy Gas Transmission Company, a business unit of CenterPoint Energy, Inc. (NYSE:CNP), expressed hope for a speedy resolution over a show cause order issued yesterday by the Federal Energy Regulatory Commission (FERC) regarding findings from an informal audit. The informal audit concerned CenterPoint Energy Gas Transmission Company's compliance with FERC's filing and reporting requirements for negotiated rate contracts.

"The Commission policy on negotiated rate and non-conforming contracts has evolved over time and we have diligently attempted to comply with then existing policy and subsequent modifications," said Byron Kelley, president and chief operating officer of CenterPoint Energy Gas Transmission Company. "The referenced contracts span several policy iterations and we will need time to study each in context of the applicable policy and review the filings we made before we can reply to each specific item identified in the order," he continued. "However, after a preliminary review of the allegations in the order, we believe that we will be able to demonstrate to the Commission that we have complied with the applicable policy in all material respects."

The company stressed that the action by the FERC does not mean that it cannot negotiate any new contracts. Negotiated rate contracts in the FERC context are actually a subset of all CenterPoint Energy Gas Transmission Company transportation contracts. If the company cannot use "negotiated rate contracts" it will still be able to conduct all firm and interruptible transportation business with its customers.

"It has been and continues to be our practice to comply with FERC policy and regulations," Kelley added. "Upon completion of our review should we determine that inadvertent omissions or errors in our procedures have occurred we will implement the appropriate administrative changes and modifications to our negotiated rate and non-conforming contract terms necessary for full compliance."

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 approximately \$20 billion. CenterPoint Energy became the new holding company for the regulated operations of the former Reliant Energy, Incorporated in August 2002. 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 the Web site at www.CenterPointEnergy.com.

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