



## Appeals Process Ends in CenterPoint Energy's Transition Bond Case; Company Hopes to Issue Over \$1.8 Billion in Bonds in Fourth Quarter

HOUSTON, Aug 19, 2005 /PRNewswire-FirstCall via COMTEX/ -- CenterPoint Energy (NYSE: CNP) announced today that the time allowed for further appeals of the Texas Public Utility Commission's (PUC) financing order had expired and no party to the proceeding filed an appeal. This clears the way for the company's electric transmission and distribution subsidiary to issue what is expected to be more than \$1.8 billion in transition bonds. The company said it expects to complete the bond issuance in the fourth quarter of this year, subject, among other matters, to market conditions, the completion of documentation and rating agency reviews, receipt of a favorable tax ruling or other assurance as to tax treatment and an order from the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 (if bonds are issued prior to the February 2006, the effective date for repeal of that act).

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

"We look forward to working with the Texas Commission and its financial advisor, Saber Partners, LLC, so that the bonds are issued as soon as possible," said Scott E. Rozzell, executive vice president and general counsel for CenterPoint Energy. "Completing this process quickly will enable us to take advantage of the current low interest rate environment in order to achieve significant savings for customers compared to the costs of recovering these amounts without issuing transition bonds."

Transition bonds allow CenterPoint Energy to recover the stranded cost portion of its true-up balance that the PUC has found it is entitled to recover in the transition to a competitive retail market. Under the PUC's financing order authorizing the issuance of these bonds, the principal and interest on the bonds is recovered under a Transition Charge. This charge is added to the electric delivery rate paid by retail electric providers to CenterPoint Energy's transmission and distribution subsidiary for power delivered to Houston-area customers. The Transition Charge will begin when the bonds are sold. Interest authorized under the financing order continues to accrue until the bonds are sold, and has the effect of increasing the principal amount of bonds that can be issued.

In anticipation of potential delays in issuing transition bonds caused by appeals, the company established a \$1.31 billion backstop credit facility (LIBOR + 75 basis points) in March 2005. It will be drawn if sufficient transition bonds have not been issued by the Nov. 11 maturity date of a \$1.31 billion term loan. If drawn, this backstop facility would term-out for two years. Drawings under the backstop facility would be repaid with proceeds from the transition bond offering when it is completed.

A registration statement relating to the transition bonds has been filed with the SEC but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

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> .

This press release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this press release regarding timing, cost and other aspects of the bond issuance that are not historical facts are forward-looking statements. Factors that could affect the company's ability to complete the bond issuance include those discussed above, general market conditions and other factors discussed in CenterPoint Energy's and its subsidiaries' Form 10-Ks for the period ended December 31, 2004, Form 10-Qs for the periods ended March 31 and June 30, 2005, and other filings with the Securities and Exchange Commission.

SOURCE CenterPoint Energy, Inc.

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