



CenterPoint Energy Gas Transmission Company Reaches Settlement of FERC Investigation

HOUSTON, June 28, 2005 /PRNewswire-FirstCall via COMTEX/ -- CenterPoint Energy Gas Transmission Company (CEGT), a wholly-owned interstate natural gas pipeline subsidiary of CenterPoint Energy, Inc. (NYSE: CNP), yesterday received an Order from the Federal Energy Regulatory Commission (FERC) accepting the terms of a settlement agreed upon by CEGT with the Staff of the FERC's Office of Market Oversight and Investigations (OMOI). The settlement brings to a conclusion an investigation of CEGT initiated by OMOI in August of 2003. Among other things, the investigation involved a comprehensive review of CEGT's relationship with its marketing affiliates and compliance with various FERC record-keeping and reporting requirements covering the period Jan. 1, 2001 through Sept. 22, 2004.

The settlement includes two remedies: a payment of a \$270,000 civil penalty, and the execution of a compliance plan, applicable to both CEGT and its sister pipeline, CenterPoint Energy Mississippi River Transmission Corporation (MRT). The compliance plan consists of a detailed set of Implementation Procedures that will facilitate compliance with FERC's Order No. 2004, the Standards of Conduct, which regulate behavior between regulated entities and their affiliates. As part of the settlement, FERC approved CEGT's Implementation Procedures, which the company believes represent best practices for the industry. CEGT does not believe the compliance plan will have any material effect on its or MRT's ability to conduct business.

"After a thorough, 22-month investigation, the OMOI Staff took the position that some of CEGT's actions resulted in a limited number of violations of FERC's affiliate regulations or were in violation of certain record-keeping and administrative requirements," said Byron Kelley, president and chief operating officer of CenterPoint Energy's Pipelines and Gathering Group. "OMOI did not find any systematic violations of its rules governing communications or other relationships among affiliates. We have already addressed a number of their concerns and are in the process of implementing the appropriate procedures for those remaining. While we do not believe that a civil penalty was appropriate, we feel that the benefits of settling outweigh the costs of litigating."

The Division of Investigations and Enforcement, Office of Market Oversight and Investigations of the Federal Energy Regulatory Commission, is responsible for conducting investigations and audits of natural gas pipelines and electric public utilities to enforce compliance with the FERC's Standards of Conduct and numerous regulatory requirements promulgated by the FERC under the statutes it administers. OMOI's investigations are industry wide, and numerous other firms already have been investigated or audited in the past three years.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and sales, 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 \$17 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>.

SOURCE CenterPoint Energy, Inc.

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