



CenterPoint Energy Receives True-up Appeal Decision From Texas Supreme Court

HOUSTON, March 18, 2011 /PRNewswire/ -- The Texas Supreme Court today issued its ruling on the appeal filed by a subsidiary of CenterPoint Energy, Inc. (CenterPoint Energy) and certain other parties from the stranded cost true-up order issued in 2004 by the Public Utility Commission of Texas (PUC). The Court affirmed in part and reversed in part the PUC's 2004 decision and remanded the case to the PUC for further action. Based on the Court's decision and an earlier decision by the court of appeals, CenterPoint Energy estimates that, in the remand to the PUC, it will be entitled to seek recovery of approximately \$922 million, plus interest.

(Logo: <http://photos.prnewswire.com/prnh/20020930/CNPLOGO>)

"Today's ruling by the Texas Supreme Court clears up much of the remaining uncertainty associated with the 1999 electric restructuring law," said David M. McClanahan, president and CEO of CenterPoint Energy. "Following the PUC's true-up decision in 2004, we were required to write off \$950 million after taxes. The Court's opinion reverses a number of the PUC decisions that caused that write-off. We look forward to working with the PUC and the other interested parties to implement the Court's final decision."

The impact of the Texas Supreme Court's decision regarding the matters on appeal is summarized as follows:

- The method used by the PUC to calculate the market value of the company's former generating assets was overturned. The Supreme Court ruled that the PUC should have valued the generating assets at the amount CenterPoint Energy received when it later sold its generation subsidiary. Employing the sales price methodology reduces the amount eligible for recovery by approximately \$252 million plus interest.
- The PUC's order denying recovery of approximately \$440 million in capacity auction true-up amounts was reversed. This amount plus interest is eligible for recovery in the remand proceeding.
- The PUC's decision to reduce stranded costs by \$378 million related to depreciation was reversed. This amount plus interest is eligible for recovery in the remand proceeding.
- The PUC's order allowing recovery of approximately \$358 million in excess mitigation credits (EMCs) that CenterPoint Energy had been erroneously ordered to pay its former affiliate was upheld. This amount has already been recovered and will not be addressed in the remand proceeding.
- The PUC's decisions allowing recovery of construction work in progress balances and interest on the capacity auction true-up amounts were upheld. These amounts have already been recovered and will not be addressed in the remand proceeding.

In its decision, the Court did not address the tax normalization issue that was the subject of an appeal by CenterPoint Energy in the lower courts. The court of appeals had previously remanded this issue to the PUC for further proceedings. That decision, which was favorable to CenterPoint Energy in the amount of approximately \$146 million, had not been appealed to the Texas Supreme Court. This amount plus interest is eligible for recovery in the remand proceeding.

The Court also did not address the court of appeals' decision allowing CenterPoint Energy to recover approximately \$210 million representing the interest component of the EMCs. This decision, which was favorable to CenterPoint Energy, was not appealed to the Texas Supreme Court. This amount plus interest is eligible for recovery in the remand proceeding.

Parties may seek rehearing from the Texas Supreme Court. Once the rehearing process is completed, there is no prescribed timetable for decision by the PUC on the matters remanded to it.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, interstate pipelines and field services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total more than \$20 billion. With about 8,800 employees, CenterPoint Energy and its predecessor companies have been in business for more than 135 years. For more information, visit the Web site at www.CenterPointEnergy.com.

This news release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this news release regarding the anticipated future recovery as a result of the Texas Supreme Court's decision, the estimated interest on such amounts and any other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the timing and outcome of any requests to the Texas Supreme Court for rehearing, future actions by the PUC in response to the Texas Supreme Court's ruling and any future appeals thereof, the timing and impact of future regulatory, legislative, and IRS decisions, financial market conditions, and other factors discussed in CenterPoint Energy's and its subsidiaries' Form 10-K for the fiscal year ended December 31, 2010, and other filings with the Securities and Exchange Commission.

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