

**REMARKS BY
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**PRESIDENT AND CEO
CENTERPOINT ENERGY**

**RIBBON-CUTTING CEREMONIES
CARTHAGE-TO-PERRYVILLE PIPELINE PROJECT
MAY 11, 2007**

Thank you very much.

Today's ribbon-cutting is an important occasion -- for CenterPoint Energy, for the region and, I will go so far as to say, for the country as a whole.

The Carthage-to-Perryville project represents a significant step forward in terms of diversity and security in natural gas supply – and not just for local consumers. The benefits of this increase will be felt throughout the Southeast and in the Midwest and East Coast regions as well.

Recent events have demonstrated the importance of supply diversity. We have seen – through the devastation caused by Hurricanes Katrina and Rita – how natural disasters can seriously disrupt the flow of natural gas supplies from the Gulf of Mexico. So it is of national importance to develop our onshore gas reserves and make them available by pipeline to ultimate consumers.

The Carthage-to-Perryville project connects onshore gas production in the Barnett Shale and other mid-continent reserve areas with our Perryville, Louisiana hub. The Perryville hub connects with nine interstate pipelines and two intrastate pipelines serving the East Coast, Midwest, and Southeastern regions of the U.S.

The availability of this onshore, domestically-produced gas thus enhances security of supply for consumers throughout a very large region in the U.S.

This pipeline, which will cost more than half a billion dollars to complete, will initially transport one billion cubic feet of gas per day. In addition, we expect the second phase of this project to be placed in service this summer raising the pipeline's capacity to a little over 1.2 billion cubic feet per day. I might add that this capacity was fully contracted for before we pushed the first molecule of gas through the pipeline.

Based on strong customer interest, we hope to expand this output by an additional 300 million cubic feet per day after we get the necessary approvals. We plan to make this additional capacity available by early next year.

For CenterPoint Energy and our shareholders, this is our largest capital growth project since we became a stand-alone company in 2002. As you might guess, we're quite excited about it.

I know that the people in this part of Louisiana share our enthusiasm. It's good for us, and it's also good for you. Indeed, the pipeline has already pumped an estimated 50 to 70 million dollars into the local economy.

I saw an article in the Shreveport *Times* a few months ago that put a human face on the benefits that this pipeline has brought to this area.

For example, one grocery store owner said that the project had brought him more than a hundred new customers for breakfast every morning in the form of pipeline construction workers. And then many of these workers would buy supplies for lunch. The owner was quoted as saying that he didn't mind the mud the workers tracked in. As he put it, "I don't see mud, I see green."

The same article told how the owner of a local RV park expanded his site to accommodate the influx of workers building the pipeline. He said that some of his neighbors laughed at him when he did it, but he says that he's the one who's laughing now – laughing "all the way to CapitalOne."

The benefits conferred by the pipeline will continue now that the project is complete. Additional supplies of natural gas will support economic growth for this region, and the pipeline itself will be a source of property tax revenues.

This is the kind of situation where everybody wins. Since our business is, to a large extent, serving the public, we are always glad to create these win-win situations.

And, talking about win-win situations, let me say a few words here about how the Carthage-to-Perryville project furthers CenterPoint Energy's overall corporate strategy.

As I'm sure most of you know, CenterPoint Energy is an energy delivery company headquartered in Houston. As CenterPoint Energy, and through our predecessor companies, we have been in business for more than 130 years.

We have assets worth 17 billion dollars, we have about 8600 employees, and we serve more than five million metered customers, primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma and Texas.

Our interstate gas pipelines unit represents the second-largest business segment in our portfolio of assets. We have two major interstate pipelines, strategically located in the mid-continent area of the United States. These pipelines are connected to over 20 other pipelines, including pipelines running to Florida and the Northeast. We transport about one trillion cubic feet of gas per year.

Our goal is to build on our company's industry-leading customer service while continuing to grow our business. Our market research shows that overall gas consumption will continue to rise rapidly, particularly in the Southeast and Northeast regions of the country.

In these growing markets, customers are looking for security of supply. It's our business to see that they get it. This commitment to our customers is embodied in our brand promise: "Always there." The Carthage-to-Perryville project is one of the proofs of that commitment.

Moving on to the next part of the program, we are honored to have with us today the Honorable Marc Spitzer, a member of the Federal Energy Regulatory Commission. Commissioner Spitzer was appointed to the FERC last year by President Bush, after a distinguished career as an attorney, majority leader of the Arizona state senate, and chairman of the Arizona Corporation Commission.

But before I turn the podium over to Commissioner Spitzer, I want to note something about the Carthage-to-Perryville project in connection with the FERC.

This pipeline is the first project to utilize the pre-filing procedures for gas infrastructure adopted by the FERC pursuant to the Energy Policy Act of 2005. Essentially, these new procedures streamline the approval process for new natural gas infrastructure projects. In so doing, these procedures further one of the aims of the Energy Policy Act, which is to promote the timely and responsible expansion of energy infrastructure.

The FERC adopted these new procedures in order to strike an appropriate balance between the need for regulatory deliberation and the need for project sponsors to obtain prompt approval.

Let me say on behalf of CenterPoint Energy that we very much appreciate the good work done by the FERC and its staff. Together, we are helping to meet this country's energy needs.

And with that, I thank you, and I give you Commissioner Spitzer.