

Project Frequently Asked Questions

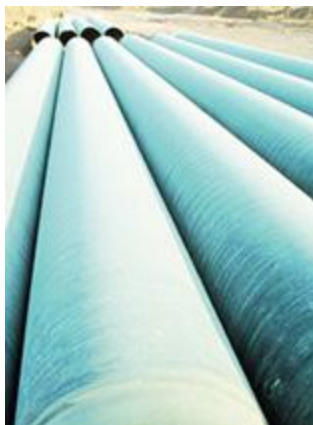
Who is CenterPoint Energy, Inc.?

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 \$22 billion. With about 8,800 employees, CenterPoint Energy and its predecessor companies have been in business for more than 135 years.

Who is CenterPoint Energy Gas Transmission Company (CEGT)?

CEGT is a wholly owned subsidiary of CenterPoint Energy and is one of two interstate pipelines totaling approximately 8,000 miles the company owns and operates in the mid-continent: Arkansas, Kansas, Louisiana, Illinois, Mississippi, Missouri, Oklahoma, Tennessee and Texas. CEGT has branch offices in Shreveport, Louisiana; Little Rock, Arkansas; Oklahoma City, Oklahoma; and St. Louis, Missouri.

What is the Central Arkansas Pipeline Enhancement Project?



CEGT is proposing to enhance its pipeline system in Central Arkansas by installing approximately 28 miles of natural gas pipeline and related facilities in Arkansas' Pulaski and Faulkner Counties and retiring other assets through abandonment or transfer to its natural gas distribution affiliate in Arkansas.

The project will allow for the continued safe and reliable transportation of natural gas to the cities of Conway, Mayflower and Little Rock, Ark. These areas have experienced substantial residential and commercial development since the original pipelines were constructed. The enhancement project provides the company with the opportunity to install new pipeline facilities along a different route that will allow CEGT to better serve its current customers, while also laying the groundwork for additional system capacity to meet future growth, as needed.

As part of the project, the company will realign ownership of some segments of the existing pipeline to CEGT's natural gas distribution affiliate in Arkansas, who will deliver natural gas to its end-use customers more efficiently.

How will you ensure the safety of the pipeline?



The United States Department of Transportation (USDOT) statistics confirm that natural gas pipelines are one of the safest modes of energy transportation. Our company works closely with regulatory agencies to meet and often exceed appropriate safety regulations. At CEGT, safety is paramount. The safety of the employees and the general public is assured throughout each step of the pipeline's operations, including new construction.

The pipeline is constructed of high-strength carbon steel coated with corrosion resistant, non-conductive, inert material. During construction, each joint of the pipeline is welded and each joint is x-rayed to verify its integrity. The pipeline is cathodically protected after the pipe is placed in the ground. Cathodic protection is the process of applying a safe, low voltage direct current to all surfaces of the pipeline to protect it from the effects of corrosion. Additionally, the pipeline is hydrostatically tested at high pressure to ensure its structural integrity prior to being placed in service. During the hydrostatic testing, the pipeline is filled with water and pressurized to a level higher than the maximum allowable operating pressure. That pressure is held for a specific period of time to confirm the integrity of the pipeline.

Once the pipeline is installed, with adequate ground cover, the surface is restored to its pre-existing condition in compliance with USDOT regulations, and CEGT then installs above-ground markers to indicate the location of the buried pipeline. These markers, required by USDOT regulations, are placed in line-of-sight intervals as the buried pipeline crosses private and public property and are also installed at each and every road and railroad crossing. Markers are designed to enhance public safety and alert anyone planning any excavation of the location of the pipeline in a particular area. The markers display contact information for CEGT should you need assistance or witness a pipeline emergency.

An important component of public safety is leak protection and detection. CEGT personnel regularly perform visual inspections of their pipelines to identify potential problems. These inspections are done on foot, by vehicle or by air. CEGT is an active member and advocate of the One Call System programs in Arkansas, as well as in all the states in which it operates. Through these One Call System programs, CEGT is informed of planned excavations, allowing us to monitor activities around the right-of-way to protect the pipeline.

Once the pipeline is in service, the CEGT System Control electronically monitors pipeline operations 24 hours a day, 365 days a year using a highly sophisticated computerized gas monitoring system to read pressures along the pipeline on a continuous basis.

What is Pipeline Integrity Management?

Pipeline Integrity Management is a process for evaluating and reducing pipeline risks. The Pipeline Safety Improvement Act of 2002 required the federal Pipeline and Hazardous Materials Administration (PHMSA) to develop and issue regulations that address risk analysis and integrity management programs (IMP) for pipeline operators. In 2003, PHMSA finalized the IMP regulations which pipeline operators were required to implement the following year.

CenterPoint Energy has implemented a robust IMP to achieve or exceed the requirements mandated by PHMSA. This program builds on an existing foundation of pipeline safety regulations covering design, construction, testing, operation and maintenance – a foundation that was laid many years ago. CenterPoint Energy’s IMP is required for approximately 180 miles of HCA pipeline segments, but we plan to do more. By the end of 2012, the company expects to have evaluated over 2,500 miles of pipelines – over 10 times the amount required by PHMSA. The ultimate goal of CenterPoint Energy’s IMP is to protect people living, working and playing near our pipelines, as well as protecting the environment surrounding our pipelines.

How do you respond to emergencies?

CEGT maintains an Emergency Response Plan that includes names and telephone numbers of agencies, municipal officials, and persons to be contacted in the event of an emergency. CEGT also maintains relationships with local, state and municipal public safety officials to provide them with emergency response information.

In the unlikely event of a pipeline incident, CEGT personnel will act in accordance with the Emergency Response Plan, notifying and working with appropriate public safety officials. CEGT will be responsible for controlling the flow of natural gas and repairing any damage to the pipeline. Public safety officials working with CEGT will be responsible for the public safety effort and for ensuring a safe and secure area.

How will landowners be affected?



CEGT understands that landowners along its pipeline system are neighbors and is fully committed to establishing and maintaining positive long-term relationships with all landowners. CEGT understands the impact to property owners of having

pipelines built on their property and takes the necessary steps to minimize the

amount of land impacted by construction. CEGT is also committed to a robust restoration program, which results in minimal impact to the surrounding landowners. CEGT's goal is to work with all affected landowners to provide fair compensation and obtain their agreement for an easement to construct the facilities. During construction, CEGT will honor all existing and new landowner agreements and comply with all applicable state, federal and local requirements. Once construction is completed, CEGT is thoroughly committed to clean up and restore affected property. In many cases, property owners will be able to use the pipeline right-of-way just as they did before construction. Activities such as growing crops and pasturing livestock can resume after restoration.

What noise level is expected during construction?

Pipeline construction will cause temporary, intermittent increases in local noise levels due to equipment operation and pipeline testing activities. Temporary noise during construction poses no threat to the health of people or wildlife.

Who will be the customers of the Central Arkansas Pipeline Enhancement Project?

Through connections with CEGT's natural gas distribution affiliate, the pipeline will provide needed, clean-burning natural gas in and around the cities of Conway and Little Rock, Ark. to:

- Homes
- Hospitals and nursing homes
- Agricultural businesses
- Schools
- Commercial businesses
- Industrial customers

What agency regulates this Project?

A number of federal, state and local regulatory agencies have permit or approval authority or consultation requirements for portions of the proposed project, but the Federal Energy Regulatory Commission (FERC) is the federal agency responsible for evaluating applications filed for authorization to construct, operate, and/or abandon interstate natural gas pipeline facilities. As the lead federal agency, the FERC will conduct a comprehensive environmental analysis of the project in compliance with the requirements of the National Environmental Policy Act (NEPA) and the FERC regulations for implementing NEPA.

CEGT intends to utilize the FERC's Pre-Filing Process, which provides all potential interested stakeholders including federal, state and local agencies, landowners and local citizens the opportunity to be involved early in the evaluation of a pipeline project. The pre-filing process is also designed to identify

and resolve issues before the applicant formally files an application with the FERC.

Following the Pre-Filing Process, CEGT will file a formal application for review and approval by the FERC and numerous other cooperating agencies. The permit proceedings conducted by these agencies will provide additional opportunities for public input and involvement. Additional information regarding the FERC Pre-Filing and approval process can be found at www.ferc.gov.

How does CEGT communicate about pipeline safety?

CenterPoint Energy has a comprehensive public awareness program. We dedicate a great deal of time and resources to keeping in contact with both the public and the emergency responders located near our pipelines. Each year we mail hundreds of thousands of information packets to people living near our pipelines. We also have safety meetings with excavation contractors, law enforcement and fire prevention officials. In addition, we send age appropriate educational materials to the schools near our pipelines. It is our goal to partner with the officials dedicated to protecting the public.

How will CEGT communicate with landowners about the Project?

CEGT plans to implement a public outreach plan to identify stakeholders such as landowners, government officials, resource agencies and environmental groups, and involve them early in the planning stage. In addition to the informational mailings and notifications, the company plans to hold an open house-style meeting so that interested stakeholders can learn more about the project and ask questions. The company has also developed a dedicated project website and any additional questions can be answered through the “Contact Us” page on the website.

What is the open house meeting and when will it take place?

The open house meeting will be held in a community along the project route. Affected landowners and local and state officials will receive a mailed invitation that identifies the specific date and location of the open house meeting. We will also publicize the open house information in the local newspapers.

At the open house, the company will give a formal presentation that will include a summary of the project and provide the project route, company contact information, information on the role of the federal government and landowners’ rights, the company’s safety commitments, and land restoration and remediation. Company officials will also be on hand to answer any questions you might have.

What will be on the website and how do I access it?

The Web address is CenterPointEnergy.com/ArkansasPipeline. The site will contain route maps, project updates, landowner information and contact information for making inquiries to FERC on CEGT's proposed pipeline. The website also will include pre-filing and formal filing information on the proposed project.

What if I want to contact CEGT directly about a problem or if I want to ask someone from the company a question?

A toll free number has been established and is staffed during normal business hours. After hours, you may leave a message and the project director or a subject matter expert will return your call. The telephone number is 888-641-TEAM (8326). You may also send an email to the project director at PIPECentralArkansasEnhancement@centerpointenergy.com.

What if I want to contact FERC?



FERC will conduct a comprehensive environmental analysis of the project and if you would like to know the results of those findings, there are two ways to communicate with FERC. First, if you want FERC to consider your views on the various environmental issues involving the pipeline, comments may be submitted to FERC in writing or electronically. FERC encourages electronic filing of comments and has expert eFiling staff available to assist you at 202-502-8258 or efiling@ferc.gov.

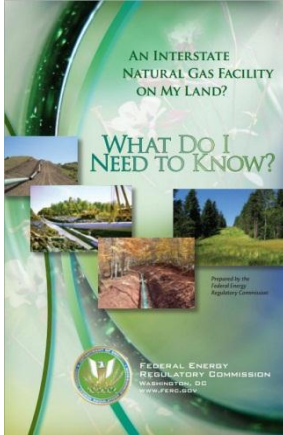
Additional information is available through FERC's Office of External Affairs at 1-866-208-FERC (3372), or you may check FERC's website for details at www.ferc.gov.

Second, once CEGT formally files its certificate application requesting authorization to construct the proposed facilities (designated as a CP docket), you may file as an intervenor. The FERC Office of External Affairs can help you through this process as well. Becoming an intervenor will give you access to company and FERC documents related to the case as well as materials filed by other parties to the application. You will have the right to file legal briefs, appear at hearings and be heard by the courts if you appeal the final FERC ruling. You will also be obligated to mail copies of what you file to all the other parties, which in a major case, could be substantial.

If you choose to intervene, you must file for intervenor status within 21 days of the date that the company files its formal application and the filing notice is placed in the Federal Register. Comments are accepted during the pre-filing

process, designated as PF docket as described above, but does not designate you as an intervenor in the process.

What other information is available?



You may request a copy of a brochure published by FERC titled “An Interstate Natural Gas Facility on My Land? What Do I Need to Know?” If you are a landowner along the proposed route, a copy of the brochure will be mailed to you.

The brochure can also be downloaded from the FERC website at <http://www.ferc.gov/for-citizens/citizen-guides/citz-guide-gas.pdf>.