

**SECURITIES AND EXCHANGE COMMISSION**  
**(Release No. 35-27984; 70-10128)**

**CenterPoint Energy, Inc., et al.**

**Supplemental Order Releasing Jurisdiction to Issue Additional Debt by CenterPoint Energy Resources Corp. and Reservation of Jurisdiction**

**June 16, 2005**

CenterPoint Energy, Inc. ("CNP"), Houston, TX, a registered holding company under the Public Utility Holding Company Act of 1935, as amended ("Act"); its subsidiary, Utility Holding, LLC, Wilmington, DE; and CenterPoint Energy Resources Corp. ("CERC"), Houston, TX, an indirect gas public utility subsidiary of CNP (collectively, "Applicants") have filed with the Securities and Exchange Commission ("Commission") a post-effective amendment under Sections 6(a) and 7 of the Act and Rules 44 and 54 under the Act, to their previously filed application-declaration ("Declaration"). On June 2, 2003 (HCAR No. 27683), the Commission issued a notice of the previously filed Declaration.

**I. Background**

By order dated June 30, 2003 (HCAR No. 27692) ("Omnibus Financing Order"), the Commission, among other things, authorized CERC to issue or sell external long- and short-term debt securities up to \$2.537 billion outstanding at any one time through June 30, 2005 ("Authorization Period"), with a reservation of jurisdiction over an additional \$500 million of external debt authority. By orders dated October 28, 2003 (HCAR No. 27743), and March 19, 2004 (HCAR No. 27818), the Commission released jurisdiction over \$70 million of additional external debt authority, such that the amount of CERC external debt would not exceed \$2.607 billion at any one time outstanding through the

Authorization Period.<sup>1</sup> The Commission continued to reserve jurisdiction over the remaining \$430 million of the requested additional external debt authority.

## II. Requested Authority

Applicants ask the Commission to release jurisdiction over CERC's request to issue an additional \$149 million in incremental external debt securities. As such, the total amount of CERC external debt may not exceed \$2.756 billion at any one time outstanding during the Authorization Period.

Applicants represent that the authority would enable CERC to establish a \$400 million revolving credit facility to replace its current \$250 million credit facility. They further represent that the new credit facility is intended to provide greater liquidity and a lower cost source of working capital for CERC, with a longer maturity period. In addition, Applicants represent that CERC will continue to comply with the Financing Parameters set forth in the Omnibus Financing Order, including a minimum common stock equity ratio of 30%.<sup>2</sup>

## III. Rule 54

The proposed transaction is subject to Rule 54 under the Act, which refers to Rule 53. Rule 54 under the Act provides that in determining whether to approve certain transactions other than those involving exempt wholesale generators ("EWGs") or foreign utility companies ("FUCOs"), as defined in the Act, the Commission will not consider the

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<sup>1</sup> In HCAR No. 27743, the Commission released jurisdiction over the issuance of \$50 million in external debt in connection with the refinancing of certain Term Enhanced Remarketable Securities. CERC did not use \$30 million of the authorized amount, and the authority relating to that \$30 million has expired. See, HCAR No. 27818.

<sup>2</sup> Applicants state that, as of March 31, 2005, CERC's common equity capitalization was 53.1%, on a consolidated basis.

effect of the capitalization or earnings of any subsidiary company which is an EWG or FUCO if Rule 53(a), (b) and (c) under the Act are satisfied. Applicants represent that CNP has no investments in EWGs or FUCOs.

#### IV. Fees and Expenses

Applicants state that the expenses to be incurred in connection with the preparation and filing of the Declaration are estimated to be approximately \$30,000, plus the fees paid in connection with the new facility, which will comply with the requirements of the Omnibus Financing Order.

#### V. Conclusion

Applicants state that no state or federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Due notice of the filing of the Declaration has been given in the manner prescribed by Rule 23 under the Act, and no hearing has been requested of, or ordered by, the Commission. Based on the facts in the record, the Commission finds that, except as to those matters over which jurisdiction has been reserved, the applicable standards of the Act are satisfied and no adverse findings are necessary.

IT IS ORDERED, under the applicable provisions of the Act and rules under the Act, that jurisdiction is released and the Declaration is permitted to become effective immediately, subject to the terms and conditions prescribed in Rule 24 under the Act and any applicable reporting requirements of prior orders in this file.

IT IS FURTHER ORDERED, that jurisdiction continues to be reserved over any other matters listed in the Omnibus Financing Order, pending completion of the record.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland  
Deputy Secretary