CENTERPOINT ENERGY INC
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PROSPECTUS SUPPLEMENT
(To Prospectus Dated December 16, 2004)

$250,000,000

CenterPoint Energy, Inc.

5.95% Senior Notes due 2017

The notes will bear interest at a rate of 5.95% per year from the date of issuance to, but excluding, February 1, 2017, when they will mature. We will pay interest on the notes on February 1 and August 1 of each year, beginning on August 1, 2007. The notes are subject to optional redemption prior to maturity as described under the caption Description of the Notes Optional Redemption.

The notes will be unsecured and will rank on a parity with all of our other unsecured and unsubordinated indebtedness. The notes will be effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries.

Investing in the notes involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price(1)	99.741%	$ 249,352,500
Underwriting Discount	0.650%	$ 1,625,000

Proceeds, before expenses, to CenterPoint Energy, Inc.(1)	99.091%	$ 247,727,500

(1) Plus accrued interest from February 6, 2007, if settlement occurs after that date.

The underwriters expect to deliver the notes to purchasers in New York, New York on or about February 6, 2007 through the book-entry facilities of The Depository Trust Company.

Banc of America Securities LLC **Deutsche Bank Securities** **JPMorgan**

Citigroup **Credit Suisse** **UBS Investment Bank** **Wachovia Securities**

Prospectus Supplement dated February 1, 2007.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any written communication from us or the underwriters specifying the final terms of the offering. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell the notes and are not soliciting an offer to buy the notes in any state where the offer or sale is not permitted. You should assume that the information we have included in this prospectus supplement or the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. If the information varies between this prospectus supplement and the accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

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Prospectus Supplement

Prospectus

SUMMARY

This summary highlights information from this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you should consider before investing in the notes. We encourage you to read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in their entirety before making an investment decision, including the information set forth under the heading Risk Factors. References in this prospectus supplement to we, us, our, or other similar terms mean CenterPoint Energy, Inc. and its subsidiaries.

CENTERPOINT ENERGY, INC.

We are a public utility holding company, created on August 31, 2002 as part of a corporate restructuring of Reliant Energy, Incorporated (Reliant Energy) that implemented certain requirements of the Texas Electric Choice Plan (Texas electric restructuring law).

Our operating subsidiaries own and operate electric transmission and distribution facilities, natural gas distribution facilities, interstate pipelines and natural gas gathering, processing and treating facilities. As of the date of this prospectus supplement, our indirect wholly owned subsidiaries include:

CenterPoint Energy Houston Electric, LLC (CenterPoint Houston), which engages in the electric transmission and distribution business in a 5,000-square mile area of the Texas Gulf Coast that includes Houston; and

CenterPoint Energy Resources Corp. (CERC Corp., and, together with its subsidiaries, CERC), which owns gas distribution systems. Through wholly owned subsidiaries, CERC Corp. owns interstate natural gas pipelines and gas gathering systems and provides various ancillary services. Through a wholly owned subsidiary, CERC Corp. also offers variable and fixed-price physical natural gas supplies primarily to commercial and industrial customers and electric and gas utilities.

Our principal executive offices are located at 1111 Louisiana, Houston, Texas 77002 (telephone number: 713-207-1111).

Recent Developments

Closing Agreement Relating to Tax Settlement

In the second quarter of 2006, we reached agreement with the Appeals Division of the Internal Revenue Service (IRS) regarding the tax treatment of our 2% Zero Premium Exchangeable Subordinated Notes (ZENS) and our former 7% Automatic Common Exchange Securities (ACES) and reduced our accrued tax and related interest reserves by $119 million, or 38 cents per diluted share. The agreement was subject to approval by the Joint Committee on Taxation of the U.S. Congress (JCT).

In January 2007, following JCT approval of certain revised terms of the agreement, we and the IRS executed a closing agreement on the tax treatment of the ZENS for the tax years 1999 through 2029. The items in dispute with respect to the ZENS and ACES have now been resolved.

In the fourth quarter of 2006 we will record an after-tax charge of approximately $12 million, or 4 cents per diluted share, to reflect the January 2007 closing agreement described above.

2.875% Convertible Senior Notes due 2024

In December 2006, the Company called for redemption all of its outstanding 2.875% Convertible Senior Notes due 2024 (2.875% Convertible Notes) at a redemption price of $1,000 in cash plus accrued and unpaid interest, including contingent interest, to the redemption date of January 22, 2007, for each $1,000 aggregate principal amount of the 2.875% Convertible Notes. As of the date of the call for redemption, $255 million aggregate principal amount of the 2.875% Convertible Notes were outstanding.

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Upon the call for redemption, each $1,000 aggregate principal amount of the 2.875% Convertible Notes became convertible at the option of the holders into $1,000 in cash and a number of shares of our common stock to be determined based on the trading price of our common stock over a five-trading-day period following the submission of the 2.875% Convertible Notes for conversion. Substantially all of the 2.875% Convertible Notes were submitted for conversion on or prior to January 22, 2007. The remaining $20,000 aggregate principal amount of 2.875% Convertible Notes was redeemed.

The Company expects to pay a total of approximately $255 million in cash and to issue approximately 5.6 million shares of common stock to satisfy its redemption and conversion obligations.

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The Offering

Issuer	CenterPoint Energy, Inc.
Notes Offered	$250 million aggregate principal amount of 5.95% senior notes due 2017.
Maturity Date	February 1, 2017.
Interest Payment Dates	February 1 and August 1, commencing on August 1, 2007.
Ranking	The notes will: be general unsecured obligations; rank equally in right of payment with all of our other existing and future unsecured and unsubordinated indebtedness; and with respect to the assets and earnings of our subsidiaries, effectively rank below all of the liabilities of our subsidiaries. Excluding junior subordinated debentures issued to a subsidiary issuing trust preferred securities, as of November 30, 2006, we, on an unconsolidated basis, had approximately $3.5 billion aggregate principal amount of indebtedness outstanding, including approximately $678 million of obligations relating to pollution control bonds issued on our behalf, which are secured by general mortgage bonds and first mortgage bonds of CenterPoint Houston. Excluding subsidiaries issuing trust preferred securities and transition bonds, as of November 30, 2006, our subsidiaries had approximately $3.9 billion aggregate principal amount of third-party indebtedness outstanding, of which approximately $1.6 billion was secured, as well as other liabilities.
Current Ratings (Outlook)	Moody s: Ba1 (Stable) Standard & Poor s: BBB−(Stable) Fitch: BBB−(Stable)
Optional Redemption	We may redeem all or a part of the notes at any time and from time to time as specified under the heading Description of the Notes Optional Redemption beginning on page S-17 of this prospectus supplement.
Significant Covenant	We will issue the notes under an indenture containing a restrictive covenant for your benefit. This covenant, which is described under Description of the Notes Restrictive Covenant beginning on page S-18 of this prospectus supplement and is subject to termination as described, initially restricts our ability, with some exceptions, to incur certain debt secured by liens.

In addition, the indenture restricts our ability to merge, consolidate or transfer substantially all of our assets. See Description of Our Senior Debt Securities Consolidation, Merger and Sale of Assets on page 5 of the accompanying prospectus.

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Lack of Public Markets for the Notes	There is no existing market for the notes. We cannot provide any assurance about: the liquidity of any markets that may develop for the notes; your ability to sell the notes; and the prices at which you will be able to sell the notes. Future trading prices of the notes will depend on many factors, including: prevailing interest rates; our operating results; the ratings of the notes; and the market for similar securities. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any automated dealer quotation system.
Risk Factors	You should consider carefully all the information set forth and incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, you should evaluate the specific factors set forth under Risk Factors beginning on page S-5 of this prospectus supplement before deciding whether to invest in the notes.
Governing Law	The indenture and the notes are governed by, and construed in accordance with, the laws of the State of New York.
Use of Proceeds	The net proceeds from this offering will be approximately $247.2 million, after deducting underwriters discounts and estimated expenses of the offering. We intend to use the net proceeds from this offering to repay indebtedness incurred in satisfying our $255 million cash payment obligation in connection with the conversion and redemption of our 2.875% Convertible Notes. See Use of Proceeds on page S-15 of this prospectus supplement.
Further Issues	The notes are initially limited to $250 million in aggregate principal amount. However, we may issue additional notes of the same series from time to time without the consent of the holders.
Trustee and Paying Agent	The Bank of New York Trust Company, National Association (as successor to JPMorgan Chase Bank, National Association).

RISK FACTORS

You should consider carefully the following information about risks, as well as risks arising from any legal proceedings identified in Part II, Item 1. Legal Proceedings of our Quarterly Report on Form 10-Q for the period ended September 30, 2006 (3rd Quarter 2006 Form 10-Q), together with the other information contained in this prospectus supplement and the accompanying prospectus, before making an investment in the notes.

We are a holding company that conducts all of our business operations through subsidiaries, primarily CenterPoint Houston and CERC. The following summarizes the principal risk factors associated with the businesses conducted by each of these subsidiaries:

Risk Factors Affecting Our Electric Transmission & Distribution Business

CenterPoint Houston may not be successful in ultimately recovering the full value of its true-up components, which could result in the elimination of certain tax benefits and could have an adverse impact on CenterPoint Houston s results of operations, financial condition and cash flows.

In March 2004, CenterPoint Houston filed its true-up application with the Public Utility Commission of Texas (Texas Utility Commission), requesting recovery of $3.7 billion, excluding interest, as allowed under the Texas electric restructuring law. In December 2004, the Texas Utility Commission issued its final order (True-Up Order) allowing CenterPoint Houston to recover a true-up balance of approximately $2.3 billion, which included interest through August 31, 2004, and providing for adjustment of the amount to be recovered to include interest on the balance until recovery, the principal portion of additional excess mitigation credits returned to customers after August 31, 2004 and certain other matters. CenterPoint Houston and other parties filed appeals of the True-Up Order to a district court in Travis County, Texas. In August 2005, the court issued its final judgment on the various appeals. In its judgment, the court affirmed most aspects of the True-Up Order, but reversed two of the Texas Utility Commission s rulings. The judgment would have the effect of restoring approximately $650 million, plus interest, of the $1.7 billion the Texas Utility Commission had disallowed from CenterPoint Houston s initial request. CenterPoint Houston and other parties appealed the district court decisions. Oral argument to the 3rd Court of Appeals in Austin took place in January 2007, but a decision is not expected for several months. No amounts related to the district court s judgment have been recorded in our consolidated financial statements.

Among the issues raised in CenterPoint Houston s appeal of the True-Up Order is the Texas Utility Commission s reduction of CenterPoint Houston s stranded cost recovery by approximately $146 million for the present value of certain deferred tax benefits associated with our former electric generation assets. Such reduction was considered in our recording of an after-tax extraordinary loss of $977 million in the last half of 2004. We believe that the Texas Utility Commission based its order on proposed regulations issued by the IRS in March 2003 related to those tax benefits. Those proposed regulations would have allowed utilities owning assets that were deregulated before March 4, 2003 to make a retroactive election to pass the benefits of Accumulated Deferred Investment Tax Credits (ADITC) and Excess Deferred Federal Income Taxes (EDFIT) back to customers. However, in December 2005, the IRS withdrew those proposed normalization regulations and issued new proposed regulations that do not include the provision allowing a retroactive election to pass the tax benefits back to customers. In a Private Letter Ruling (PLR) issued to a Texas utility on facts similar to CenterPoint Houston s, the IRS, without referencing its proposed regulations, ruled that a normalization violation would occur if ADITC and EDFIT were required to be returned to customers. We have requested a PLR asking the IRS whether the Texas Utility Commission s order reducing our stranded cost recovery by $146 million for ADITC and EDFIT would cause a normalization violation. If our PLR determines that such reduction would cause a normalization violation with respect to the ADITC and the Texas Utility

Commission s order relating to such reduction is not reversed or otherwise modified, the IRS could require us to pay an amount equal to CenterPoint Houston s unamortized ADITC balance as of the date that the normalization violation was deemed to have occurred. In addition, if a normalization violation with respect to EDFIT is deemed to have occurred and the Texas Utility Commission s order relating to such reduction is not reversed or otherwise modified, the IRS could deny CenterPoint Houston the ability to elect accelerated tax

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depreciation benefits beginning in the taxable year that the normalization violation is deemed to have occurred. If a normalization violation should ultimately be found to exist, it could have an adverse impact on our results of operations, financial condition and cash flows. The Texas Utility Commission has not previously required a company subject to its jurisdiction to take action that would result in a normalization violation.

CenterPoint Houston s receivables are concentrated in a small number of retail electric providers, and any delay or default in payment could adversely affect CenterPoint Houston s cash flows, financial condition and results of operations.

CenterPoint Houston s receivables from the distribution of electricity are collected from retail electric providers that supply the electricity CenterPoint Houston distributes to their customers. As of November 30, 2006, CenterPoint Houston did business with 69 retail electric providers. Adverse economic conditions, structural problems in the market served by the Electric Reliability Council of Texas, Inc. or financial difficulties of one or more retail electric providers could impair the ability of these retail providers to pay for CenterPoint Houston s services or could cause them to delay such payments. CenterPoint Houston depends on these retail electric providers to remit payments on a timely basis. Applicable regulatory provisions require that customers be shifted to a provider of last resort if a retail electric provider cannot make timely payments. Reliant Energy, Inc. (RRI), through its subsidiaries, is CenterPoint Houston s largest customer. Approximately 54% of CenterPoint Houston s $136 million in billed receivables from retail electric providers at November 30, 2006 was owed by subsidiaries of RRI. Any delay or default in payment could adversely affect CenterPoint Houston s cash flows, financial condition and results of operations.

Rate regulation of CenterPoint Houston s business may delay or deny CenterPoint Houston s ability to earn a reasonable return and fully recover its costs.

CenterPoint Houston s rates are regulated by certain municipalities and the Texas Utility Commission based on an analysis of its invested capital and its expenses in a test year. Thus, the rates that CenterPoint Houston is allowed to charge may not match its expenses at any given time. The regulatory process by which rates are determined may not always result in rates that will produce full recovery of CenterPoint Houston s costs and enable CenterPoint Houston to earn a reasonable return on its invested capital.

Disruptions at power generation facilities owned by third parties could interrupt CenterPoint Houston s sales of transmission and distribution services.

CenterPoint Houston transmits and distributes to customers of retail electric providers electric power that the retail electric providers obtain from power generation facilities owned by third parties. CenterPoint Houston does not own or operate any power generation facilities. If power generation is disrupted or if power generation capacity is inadequate, CenterPoint Houston s sales of transmission and distribution services may be diminished or interrupted, and its results of operations, financial condition and cash flows may be adversely affected.

CenterPoint Houston s revenues and results of operations are seasonal.

A significant portion of CenterPoint Houston s revenues is derived from rates that it collects from each retail electric provider based on the amount of electricity it distributes on behalf of such retail electric provider. Thus, CenterPoint Houston s revenues and results of operations are subject to seasonality, weather conditions and other changes in electricity usage, with revenues being higher during the warmer months.

Risk Factors Affecting Our Natural Gas Distribution, Competitive Natural Gas Sales and Services and Pipelines and Field Services Businesses

Rate regulation of CERC s business may delay or deny CERC s ability to earn a reasonable return and fully recover its costs.

CERC s rates for its local distribution companies are regulated by certain municipalities and state commissions, and for its interstate pipelines by the Federal Energy Regulatory Commission (FERC), based on

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an analysis of its invested capital and its expenses in a test year. Thus, the rates that CERC is allowed to charge may not match its expenses at any given time. The regulatory process in which rates are determined may not always result in rates that will produce full recovery of CERC s costs and enable CERC to earn a reasonable return on its invested capital.

CERC s businesses must compete with alternative energy sources, which could result in CERC marketing less natural gas, and its pipelines and field services businesses must compete directly with others in the transportation, storage, gathering, treating and processing of natural gas, which could lead to lower prices, either of which could have an adverse impact on CERC s results of operations, financial condition and cash flows.

CERC competes primarily with alternate energy sources such as electricity and other fuel sources. In some areas, intrastate pipelines, other natural gas distributors and marketers also compete directly with CERC for natural gas sales to end-users. In addition, as a result of federal regulatory changes affecting interstate pipelines, natural gas marketers operating on these pipelines may be able to bypass CERC s facilities and market, sell and/or transport natural gas directly to commercial and industrial customers. Any reduction in the amount of natural gas marketed, sold or transported by CERC as a result of competition may have an adverse impact on CERC s results of operations, financial condition and cash flows.

CERC s two interstate pipelines and its gathering systems compete with other interstate and intrastate pipelines and gathering systems in the transportation and storage of natural gas. The principal elements of competition are rates, terms of service, and flexibility and reliability of service. They also compete indirectly with other forms of energy, including electricity, coal and fuel oils. The primary competitive factor is price. The actions of CERC s competitors could lead to lower prices, which may have an adverse impact on CERC s results of operations, financial condition and cash flows.

CERC s natural gas distribution and competitive natural gas sales and services businesses are subject to fluctuations in natural gas pricing levels, which could affect the ability of CERC s suppliers and customers to meet their obligations or otherwise adversely affect CERC s liquidity.

CERC is subject to risk associated with increases in the price of natural gas. Increases in natural gas prices might affect CERC s ability to collect balances due from its customers and, on the regulated side, could create the potential for uncollectible accounts expense to exceed the recoverable levels built into CERC s tariff rates. In addition, a sustained period of high natural gas prices could apply downward demand pressure on natural gas consumption in the areas in which CERC operates and increase the risk that CERC s suppliers or customers fail or are unable to meet their obligations. Additionally, increasing natural gas prices could create the need for CERC to provide collateral in order to purchase natural gas.

If CERC were to fail to renegotiate a contract with one of its significant pipeline customers or if CERC renegotiates the contract with less favorable terms, there could be an adverse impact on its operations.

Since October 31, 2006, CERC s contract with Laclede Gas Company, one of its pipeline s customers, has been terminable upon one year s prior notice. CERC has not received a termination notice and is currently negotiating a long-term contract with Laclede. If Laclede terminates this contract or if CERC renegotiates this contract at rates substantially less than the rates provided in the current contract, there could be an adverse effect on CERC s results of operations, financial condition and cash flows.

A decline in CERC s credit rating could result in CERC s having to provide collateral in order to purchase natural gas.

If CERC s credit rating were to decline, it might be required to post cash collateral in order to purchase natural gas. If a credit rating downgrade and the resultant cash collateral requirement were to occur at a time when CERC was experiencing significant working capital requirements or otherwise lacked liquidity, CERC might be unable to obtain the necessary natural gas to meet its obligations to customers, and its results of operations, financial condition and cash flows would be adversely affected.

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The revenues and results of operations of CERC s pipelines and field services businesses are subject to fluctuations in the supply of natural gas.

CERC s pipelines and field services businesses largely rely on natural gas sourced in the various supply basins located in the Midcontinent region of the United States. To the extent the availability of this supply is substantially reduced, it could have an adverse effect on CERC s results of operations, financial condition and cash flows.

CERC s revenues and results of operations are seasonal.

A substantial portion of CERC s revenues is derived from natural gas sales and transportation. Thus, CERC s revenues and results of operations are subject to seasonality, weather conditions and other changes in natural gas usage, with revenues being higher during the winter months.

The actual construction costs of proposed pipelines and related compression facilities may be significantly higher than CERC s current estimates.

Subsidiaries of CERC are involved in significant pipeline construction projects. The construction of new pipelines and related compression facilities requires the expenditure of significant amounts of capital, which may exceed CERC s estimates. If CERC undertakes these projects, they may not be completed at the budgeted cost, on schedule or at all. The construction of new pipeline or compression facilities is subject to construction cost overruns due to labor costs, costs of equipment and materials such as steel and nickel, labor shortages or delays, inflation or other factors, which could be material. In addition, the construction of these facilities is typically subject to the receipt of approvals and permits from various regulatory agencies. Those agencies may not approve the projects in a timely manner or may impose restrictions or conditions on the projects that could potentially prevent a project from proceeding, lengthen its expected completion schedule and/or increase the anticipated cost of the project. As a result, there is the risk that the new facilities may not be able to achieve CERC s expected investment return, which could adversely affect CERC s financial condition, results of operations or cash flows.

The Arkansas Public Service Commission has adopted rules governing affiliate transactions which could have significant adverse effects on CERC s ability to operate its utility operations.

The Arkansas Public Service Commission has adopted rules governing affiliate transactions involving public utilities operating in Arkansas. The rules treat as affiliate transactions all transactions between CERC s Arkansas utility operations and other divisions of CERC, as well as transactions between the Arkansas utility operations and affiliates of CERC. All such affiliate transactions are required to be priced under an asymmetrical pricing formula under which the Arkansas utility operations would benefit from any difference between the cost of providing goods and services to or from the Arkansas utility operations and the market value of those goods or services. Additionally, the Arkansas utility operations are not permitted to participate in any financing other than to finance retail utility operations in Arkansas, which would preclude continuation of existing financing arrangements in which CERC finances its divisions and subsidiaries, including its Arkansas utility operations.

Although the rules are now in effect, CERC and other gas and electric utilities operating in Arkansas are seeking reconsideration of the rules by the Arkansas Public Service Commission. If the rules are not significantly modified on reconsideration, CERC would be entitled to seek judicial review. In adopting the rules, the Arkansas Public Service Commission indicated that affiliate transactions and financial arrangements currently in effect will be deemed in compliance until December 19, 2007, and that utilities may seek waivers of specific provisions of the rules. If the rules continue in effect as presently adopted, CERC would need to seek waivers from certain provisions of the rules or would be required to make significant modifications to existing practices, which could include the formation of and transfer of assets to subsidiaries. These modifications could have adverse effects on CERC s ability to operate its utility operations and to provide cost-effective utility service.

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Risk Factors Associated with Our Consolidated Financial Condition

If we are unable to arrange future financings on acceptable terms, our ability to refinance existing indebtedness could be limited.

As of November 30, 2006, we had $9.1 billion of outstanding indebtedness on a consolidated basis, which includes $2.4 billion of non-recourse transition bonds. As of November 30, 2006, approximately $665 million principal amount of this debt is required to be paid through 2009. This amount excludes principal repayments of approximately $481 million on transition bonds, for which a dedicated revenue stream exists. In addition, as of January 31, 2007, we had $575 million of outstanding 3.75% convertible notes on which holders could exercise their conversion rights, cash settlement obligations with respect to $153 million principal amount of the approximately $255 million aggregate principal amount of the 2.875% Convertible Notes converted in January 2007 and redemption obligations with respect to the call for redemption on February 4, 2007 of $100 million aggregate liquidation amount of 8.257% Capital Securities, Series B of our indirect subsidiary, HL&P Capital Trust II. Our future financing activities may depend, at least in part, on:

- the timing and amount of our recovery of the true-up components, including, in particular, the results of appeals to the courts of determinations on rulings obtained to date;
- general economic and capital market conditions;
- credit availability from financial institutions and other lenders;
- investor confidence in us and the market in which we operate;
- maintenance of acceptable credit ratings;
- market expectations regarding our future earnings and probable cash flows;
- market perceptions of our ability to access capital markets on reasonable terms;
- our exposure to RRI in connection with its indemnification obligations arising in connection with its separation from us; and
- provisions of relevant tax and securities laws.

As of November 30, 2006, CenterPoint Houston had outstanding approximately $2.0 billion aggregate principal amount of general mortgage bonds, including approximately $229 million held in trust to secure pollution control bonds for which we are obligated and approximately $527 million held in trust to secure pollution control bonds for which CenterPoint Houston is obligated. Additionally, CenterPoint Houston had outstanding approximately $253 million aggregate principal amount of first mortgage bonds, including approximately $151 million held in trust to secure certain pollution control bonds for which we are obligated. CenterPoint Houston may issue additional general mortgage bonds on the basis of retired bonds, 70% of property additions or cash deposited with the trustee. Approximately $2.2 billion of additional first mortgage bonds and general mortgage bonds could be issued in the aggregate on the basis of retired bonds and 70% of property additions as of November 30, 2006. However, CenterPoint Houston is contractually prohibited, subject to certain exceptions, from issuing additional first mortgage bonds.

Our current credit ratings are discussed in Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Future Sources and Uses of Cash Impact on Liquidity of a Downgrade in Credit Ratings in Item 2 of our 3rd Quarter 2006 Form 10-Q. These credit ratings may not remain in effect for any given period of time and one or more of these ratings may be lowered or withdrawn entirely by a rating agency. We note that these credit ratings are not recommendations to buy, sell or hold our securities. Each rating should be evaluated independently of any other rating. Any future reduction or withdrawal of one or more of our credit ratings could have a material adverse impact on our ability to access capital on acceptable terms.

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As a holding company with no operations of our own, we will depend on distributions from our subsidiaries to meet our payment obligations, and provisions of applicable law or contractual restrictions could limit the amount of those distributions.

We derive all our operating income from, and hold all our assets through, our subsidiaries. As a result, we will depend on distributions from our subsidiaries in order to meet our payment obligations. In general, these subsidiaries are separate and distinct legal entities and have no obligation to provide us with funds for our payment obligations, whether by dividends, distributions, loans or otherwise. In addition, provisions of applicable law, such as those limiting the legal sources of dividends, limit our subsidiaries ability to make payments or other distributions to us, and our subsidiaries could agree to contractual restrictions on their ability to make distributions.

Our right to receive any assets of any subsidiary, and therefore the right of our creditors to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors. In addition, even if we were a creditor of any subsidiary, our rights as a creditor would be subordinated to any security interest in the assets of that subsidiary and any indebtedness of the subsidiary senior to that held by us.

The use of derivative contracts by us and our subsidiaries in the normal course of business could result in financial losses that could negatively impact our results of operations and those of our subsidiaries.

We and our subsidiaries use derivative instruments, such as swaps, options, futures and forwards, to manage our commodity and financial market risks. We and our subsidiaries could recognize financial losses as a result of volatility in the market values of these contracts, or should a counterparty fail to perform. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these financial instruments can involve management s judgment or use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts.

Risks Common to Our Businesses and Other Risks

We are subject to operational and financial risks and liabilities arising from environmental laws and regulations.

Our operations are subject to stringent and complex laws and regulations pertaining to health, safety and the environment. As an owner or operator of natural gas pipelines and distribution systems, gas gathering and processing systems, and electric transmission and distribution systems we must comply with these laws and regulations at the federal, state and local levels. These laws and regulations can restrict or impact our business activities in many ways, such as:

- restricting the way we can handle or dispose of our wastes;

- limiting or prohibiting construction activities in sensitive areas such as wetlands, coastal regions, or areas inhabited by endangered species;

- requiring remedial action to mitigate pollution conditions caused by our operations, or attributable to former operations; and

- enjoining the operations of facilities deemed in non-compliance with permits issued pursuant to such environmental laws and regulations.

In order to comply with these requirements, we may need to spend substantial amounts and devote other resources from time to time to:

- construct or acquire new equipment;
- acquire permits for facility operations;

- modify or replace existing and proposed equipment; and
- clean up or decommission waste disposal areas, fuel storage and management facilities and other locations and facilities.

Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial actions and the issuance of orders enjoining future operations. Certain environmental statutes impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed or otherwise released. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other waste products into the environment.

Our insurance coverage may not be sufficient. Insufficient insurance coverage and increased insurance costs could adversely impact our results of operations, financial condition and cash flows.

We currently have general liability and property insurance in place to cover certain of our facilities in amounts that we consider appropriate. Such policies are subject to certain limits and deductibles and do not include business interruption coverage. Insurance coverage may not be available in the future at current costs or on commercially reasonable terms, and the insurance proceeds received for any loss of, or any damage to, any of our facilities may not be sufficient to restore the loss or damage without negative impact on our results of operations, financial condition and cash flows.

In common with other companies in its line of business that serve coastal regions, CenterPoint Houston does not have insurance covering its transmission and distribution system because CenterPoint Houston believes it to be cost prohibitive. If CenterPoint Houston were to sustain any loss of, or damage to, its transmission and distribution properties, it may not be able to recover such loss or damage through a change in its regulated rates, and any such recovery may not be timely granted. Therefore, CenterPoint Houston may not be able to restore any loss of, or damage to, any of its transmission and distribution properties without negative impact on its results of operations, financial condition and cash flows.

We, CenterPoint Houston and CERC could incur liabilities associated with businesses and assets that we have transferred to others.

Under some circumstances, we and CenterPoint Houston could incur liabilities associated with assets and businesses we and CenterPoint Houston no longer own. These assets and businesses were previously owned by Reliant Energy, a predecessor of CenterPoint Houston, directly or through subsidiaries and include:

- those transferred to RRI or its subsidiaries in connection with the organization and capitalization of RRI prior to its initial public offering in 2001; and
- those transferred to Texas Genco Holdings, Inc. (Texas Genco) in connection with its organization and capitalization.

In connection with the organization and capitalization of RRI, RRI and its subsidiaries assumed liabilities associated with various assets and businesses Reliant Energy transferred to them. RRI also agreed to indemnify, and cause the applicable transferee subsidiaries to indemnify, us and our subsidiaries, including CenterPoint Houston and CERC, with respect to liabilities associated with the transferred assets and businesses. These indemnity provisions were intended to place sole financial responsibility on RRI and its subsidiaries for all liabilities associated with the current and historical businesses and operations of RRI, regardless of the time those liabilities arose. If RRI were unable to satisfy a liability that has been so assumed in circumstances in which Reliant Energy and its subsidiaries were not released from the liability in connection with the transfer, we, CenterPoint Houston or CERC could be responsible for satisfying the liability.

Prior to our distribution of our ownership in RRI to our shareholders, CERC had guaranteed certain contractual obligations of what became RRI s trading subsidiary. Under the terms of the separation agreement between the companies, RRI agreed to extinguish all such guaranty obligations prior to separation, but at the time of separation in September 2002, RRI had been unable to extinguish all obligations. To secure us and CERC against obligations under the remaining guaranties, RRI agreed to provide cash or letters of credit for the benefit of CERC and us, and undertook to use commercially reasonable efforts to extinguish the remaining guaranties. CERC currently holds letters of credit in the amount of $33.3 million issued on behalf of RRI against guaranties that have not been released. Our current exposure under the guaranties relates to CERC s guaranty of the payment by RRI of demand charges related to transportation contracts with one counterparty. The demand charges are approximately $53 million per year through 2015, $49 million in 2016, $38 million in 2017 and $13 million in 2018. RRI continues to meet its obligations under the transportation contracts, and we believe current market conditions make those contracts valuable for transportation services in the near term. However, changes in market conditions could affect the value of those contracts. If RRI should fail to perform its obligations under the transportation contracts, our exposure to the counterparty under the guaranty could exceed the security provided by RRI. We have requested RRI to increase the amount of its existing letters of credit or, in the alternative, to obtain a release of CERC s obligations under the guaranty. In June 2006, the RRI trading subsidiary and CERC jointly filed a complaint at the FERC against the counterparty on the CERC guaranty. In the complaint, the RRI trading subsidiary seeks a determination by the FERC that the security demanded by the counterparty exceeds the level permitted by the FERC s policies. The complaint asks the FERC to require the counterparty to release CERC from its guaranty obligation and, in its place, accept (i) a guaranty from RRI of the obligations of the RRI trading subsidiary, and (ii) letters of credit limited to (A) one year of demand charges for a transportation agreement related to a 2003 expansion of the counterparty s pipeline, and (B) three months of demand charges for three other transportation agreements held by the RRI trading subsidiary. The counterparty has argued that the amount of the guaranty does not violate the FERC s policies and that the proposed substitution of credit support is not authorized under the counterparty s financing documents or required by FERC s policy. The parties have now completed their submissions to FERC regarding the complaint. It is presently unknown what action the FERC may take on the complaint or when the FERC may rule.

RRI s unsecured debt ratings are currently below investment grade. If RRI were unable to meet its obligations, it would need to consider, among various options, restructuring under the bankruptcy laws, in which event RRI might not honor its indemnification obligations and claims by RRI s creditors might be made against us as its former owner.

Reliant Energy and RRI are named as defendants in a number of lawsuits arising out of energy sales in California and other markets and financial reporting matters. Although these matters relate to the business and operations of RRI, claims against Reliant Energy have been made on grounds that include the effect of RRI s financial results on Reliant Energy s historical financial statements and liability of Reliant Energy as a controlling shareholder of RRI. We or CenterPoint Houston could incur liability if claims in one or more of these lawsuits were successfully asserted against us or CenterPoint Houston and indemnification from RRI were determined to be unavailable or if RRI were unable to satisfy indemnification obligations owed with respect to those claims.

In connection with the organization and capitalization of Texas Genco, Texas Genco assumed liabilities associated with the electric generation assets Reliant Energy transferred to it. Texas Genco also agreed to indemnify, and cause the applicable transferee subsidiaries to indemnify, us and our subsidiaries, including CenterPoint Houston, with respect to liabilities associated with the transferred assets and businesses. In many cases the liabilities assumed were obligations of CenterPoint Houston and CenterPoint Houston was not released by third parties from these liabilities. The indemnity provisions were intended generally to place sole financial responsibility on Texas Genco and its subsidiaries for all liabilities associated with the current and historical businesses and operations of Texas Genco, regardless of the time those liabilities arose. In connection with the sale of Texas Genco s fossil generation assets (coal, lignite and gas-fired plants) to Texas Genco LLC, the separation agreement we entered into with Texas Genco in connection with the organization and capitalization of Texas Genco was amended to provide that all of Texas Genco s rights and obligations under the separation agreement relating to its fossil generation assets, including Texas Genco s obligation to indemnify us with respect to liabilities associated with the fossil generation assets and related business, were

assigned to and assumed by Texas Genco LLC. In addition, under the amended separation agreement, Texas Genco is no longer liable for, and we have assumed and agreed to indemnify Texas Genco LLC against, liabilities that Texas Genco originally assumed in connection with its organization to the extent, and only to the extent, that such liabilities are covered by certain insurance policies or other similar agreements held by us. If Texas Genco or Texas Genco LLC were unable to satisfy a liability that had been so assumed or indemnified against, and provided Reliant Energy had not been released from the liability in connection with the transfer, CenterPoint Houston could be responsible for satisfying the liability.

We or our subsidiaries have been named, along with numerous others, as a defendant in lawsuits filed by a large number of individuals who claim injury due to exposure to asbestos. Most claimants in such litigation have been workers who participated in construction of various industrial facilities, including power plants. Some of the claimants have worked at locations we own, but most existing claims relate to facilities previously owned by our subsidiaries but currently owned by Texas Genco LLC, which is now known as NRG Texas LP. We anticipate that additional claims like those received may be asserted in the future. Under the terms of the arrangements regarding separation of the generating business from us and its sale to Texas Genco LLC, ultimate financial responsibility for uninsured losses from claims relating to the generating business has been assumed by Texas Genco LLC and its successor, but we have agreed to continue to defend such claims to the extent they are covered by insurance maintained by us, subject to reimbursement of the costs of such defense by Texas Genco LLC.

Risk Factors Related to the Notes

An active trading market for the notes may not develop.

The notes will be a new issue of securities for which there is currently no established trading market. We do not intend to apply for the listing of the notes on any securities exchange or for quotation of the notes on any dealer quotation system. Even if a market for the notes does develop, we cannot assure you that there will be liquidity in that market, or that the notes might not trade for less than their original value or face amount. The liquidity of any market for the notes will depend on the number of holders of those notes, the interest of securities dealers in making a market in the notes and other factors. If a liquid market for the notes does not develop, you may be unable to resell the notes for a long period of time, if at all. Accordingly, we cannot assure you as to the development or liquidity of any trading market for the notes or as to your ability to sell your notes.

Even if a market for the notes develops, trading prices could be higher or lower than the initial offering price. The prices of the notes will depend on many factors, including prevailing interest rates, our operating results and financial conditions and the market for similar securities. Declines in the market prices for debt securities generally may also materially and adversely affect the liquidity of the notes, independent of our financial performance.

The notes will be effectively subordinated to existing and future indebtedness and other liabilities of our subsidiaries.

We derive all our operating income from, and hold all our assets through, our subsidiaries. As a result, we will depend on distributions from our subsidiaries in order to meet our payment obligations under any debt securities, including the notes and our other obligations. In general, these subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on our debt securities or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or otherwise. In addition, provisions of applicable law, such as those limiting the legal sources of dividends, limit our subsidiaries ability to make payments or other distributions to us, and they could agree to contractual restrictions on their ability to make distributions.

Our right to receive any assets of any subsidiary, and therefore the right of our creditors to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors. In addition, even if we were a creditor of any subsidiary, our rights as a creditor would be subordinated to any security interest in the assets of that subsidiary and any indebtedness of the subsidiary senior to that held by us. Excluding subsidiaries issuing trust preferred securities and transition bonds, as of November 30, 2006, our subsidiaries had approximately $3.9 billion aggregate principal amount of third-party indebtedness outstanding, of which approximately $1.6 billion was secured.

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USE OF PROCEEDS

The net proceeds from this offering will be approximately $247.2 million, after deducting underwriters discounts and estimated expenses of the offering. We intend to use the net proceeds from this offering to repay indebtedness incurred in satisfying our $255 million cash payment obligation in connection with the conversion and redemption of our 2.875% Convertible Notes. See Summary Recent Developments 2.875% Convertible Senior Notes due 2024.

Indebtedness incurred in connection with such conversion and redemption obligations will include borrowings under our revolving credit facility, which currently would have an interest rate of 8.25% and mature on March 31, 2011 and, to the extent available, commercial paper supported by our revolving credit facility, which currently would have an interest rate of approximately 5.6% and would be expected to mature on February 6, 2007.

CAPITALIZATION

The following table sets forth our short-term debt and capitalization as of September 30, 2006. No adjustments have been made for the issuance of the notes in this offering. In addition, adjustments have not been made for:

- the conversion and redemption of our 2.875% Convertible Notes;
- the planned redemption of $100 million aggregate liquidation amount of 8.257% Capital Securities, Series B of our indirect subsidiary, HL&P Capital Trust II, on February 4, 2007;
- the maturity of $145 million aggregate principal amount of CERC s 8.90% debentures in December 2006;
- any changes in short-term debt after September 30, 2006; or
- changes related to the implementation of accounting pronouncements effective after September 30, 2006.

This table should be read in conjunction with our consolidated financial statements and related notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2005 and our 3rd Quarter 2006 Form 10-Q.

	September 30, 2006 (In millions)	
Short-Term Debt:		
Current portion of transition bond long-term debt	$ 147	1.4%
Current portion of other long-term debt	1,093	10.2%
Total short-term debt	1,240	11.6%
Long-Term Debt:		
Transition bonds	2,260	21.1%
Other	5,645	52.7%
Total long-term debt	7,905	73.8%

Total Debt	9,145	85.4%
Shareholders Equity	1,567	14.6%
Total Capitalization and Short-Term Debt	$ 10,712	100.0%

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DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes (referred to in the accompanying prospectus as the debt securities) supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus, to which we refer you.

We will issue the notes (the notes) under an indenture, dated as of May 19, 2003, as supplemented, and as to be further supplemented in connection with establishing the terms of the notes (the indenture), between us and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank, National Association), as trustee. The following description is a summary of the material provisions of the notes and the indenture. This summary is not complete and is qualified in its entirety by reference to the indenture and the notes. For a complete description of the notes, you should refer to the indenture, including the form of supplemental indenture establishing the terms of the notes, copies of which are available from us. In addition, we have filed the current indenture and will file the supplemental indenture with the SEC. Please read Where You Can Find More Information. For purposes of this summary, the terms we, our, ours and us refer only to CenterPoint Energy, Inc. and not to any of our subsidiari

We may issue debt securities from time to time in one or more series under the indenture. There is no limitation on the amount of debt securities we may issue under the indenture. As of November 30, 2006, approximately $1.4 billion aggregate principal amount of debt securities were outstanding under the indenture, although $255 million of such aggregate principal amount was redeemed or converted in January 2007.

We have included cross-references in the summary below to refer you to the section numbers of the indenture we are describing.

Ranking of the Notes

The notes will:

- be general unsecured obligations,
- rank equally in right of payment with all of our other existing and future unsecured and unsubordinated indebtedness, and
- with respect to the assets and earnings of our subsidiaries, effectively rank below all of the liabilities of our subsidiaries.

Excluding junior subordinated debentures issued to a subsidiary issuing trust preferred securities, as of November 30, 2006, we, on an unconsolidated basis, had approximately $3.5 billion aggregate principal amount of indebtedness outstanding, including approximately $678 million of obligations relating to pollution control bonds issued on our behalf, which are secured by general mortgage bonds and first mortgage bonds of CenterPoint Houston. Excluding subsidiaries issuing trust preferred securities and transition bonds, as of November 30, 2006, our subsidiaries had approximately $3.9 billion aggregate principal amount of third-party indebtedness outstanding, of which approximately $1.6 billion was secured, as well as other liabilities.

Structural Subordination

We are a holding company that conducts substantially all of our operations through our subsidiaries. Our only significant assets are the capital stock of our subsidiaries, and our subsidiaries generate substantially all of our operating income and cash flow. As a result, dividends or advances from our subsidiaries are the principal source of funds necessary to meet our debt service obligations. Contractual provisions or laws, as well as our subsidiaries financial condition and operating requirements, may limit our ability to obtain cash from our subsidiaries that we may require to pay our debt service obligations, including payments on the notes. In addition, the notes will be effectively subordinated to all of the liabilities of our subsidiaries with regard to the assets and earnings of our subsidiaries.

Principal, Maturity and Interest

The notes will mature on February 1, 2017. The notes are initially limited to $250 million in aggregate principal amount. However, we may issue additional notes of the same series from time to time, without the consent of the holders of the notes. The notes will be issued only in denominations of $1,000 principal amount and integral multiples of $1,000 principal amount.

Interest on the notes will:

- accrue at the rate of 5.95% per annum,
- be payable semi-annually in arrears on each February 1 and August 1, with the initial interest payment date being August 1, 2007,
- be payable to the person in whose name the notes are registered at the close of business on the January 15 and July 15 immediately preceding the applicable interest payment date, which we refer to with respect to the notes as regular record dates,
- be computed on the basis of a 360-day year comprised of twelve 30-day months, and
- be payable on overdue interest to the extent permitted by law at the same rate as interest is payable on principal.

If any interest payment date, the maturity date or any redemption date falls on a day that is not a business day, the required payment will be made on the next business day with the same force and effect as if made on the relevant interest payment date, maturity date or redemption date and no additional amounts will accrue on that payment for the period from and after the interest payment date, maturity date or redemption date, as the case may be, to the date of that payment on the next succeeding business day. Unless we default on a payment, no interest will accrue for the period from and after the applicable maturity date or redemption date.

Optional Redemption

We may redeem the notes, in whole or in part, at our option exercisable at any time and from time to time upon not less than 30 and not more than 60 days notice as provided in the indenture, on any date prior to their maturity at a redemption price equal to:

- 100% of the principal amount of the notes redeemed, plus
- accrued and unpaid interest thereon, if any, to, but excluding, the redemption date, plus
- the make-whole premium described below, if any.

The redemption price will never be less than 100% of the principal amount of the notes redeemed plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date.

The amount of the make-whole premium with respect to any note to be redeemed will be equal to the excess, if any, of:

(1) the sum of the present values, calculated as of the redemption date, of:

each interest payment that, but for such redemption, would have been payable on the note or portion thereof being redeemed on each interest payment date occurring after the redemption date (excluding any accrued and unpaid interest for the period prior to the redemption date), and

the principal amount that, but for such redemption, would have been payable at the final maturity of the note or portion thereof being redeemed, over

(2) the principal amount of the note being redeemed.

The present values of interest and principal payments referred to in clause (1) above will be determined in accordance with generally accepted principles of financial analysis. These present values will be calculated by discounting the amount of each payment of interest or principal from the date that each such payment

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would have been payable, but for the redemption, to the redemption date at a discount rate equal to the comparable treasury yield (as defined below) plus 20 basis points.

The make-whole premium will be calculated by an independent investment banking institution of national standing appointed by us. If we fail to appoint an independent investment banking institution at least 45 days prior to the redemption date, or if the independent investment banking institution we appoint is unwilling or unable to calculate the make-whole premium, the calculation will be made by Banc of America Securities LLC, Deutsche Bank Securities Inc. or J.P. Morgan Securities Inc. If Banc of America Securities LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. are unwilling or unable to make the calculation, we will appoint a different independent investment banking institution of national standing to make the calculation.

For purposes of determining the make-whole premium, comparable treasury yield means a rate of interest per annum equal to the weekly average yield to maturity of United States Treasury Securities that have a constant maturity that corresponds to the remaining term to maturity of the notes to be redeemed, calculated to the nearest 1/12th of a year. The comparable treasury yield will be determined as of the third business day immediately preceding the applicable redemption date.

The weekly average yields of United States Treasury Securities will be determined by reference to the most recent statistical release published by the Federal Reserve Bank of New York and designated H.15(519) Selected Interest Rates or any successor release. If this statistical release sets forth a weekly average yield for United States Treasury Securities having a constant maturity that is the same as the remaining term calculated as set forth above, then the comparable treasury yield will be equal to such weekly average yield. In all other cases, the comparable treasury yield will be calculated by interpolation on a straight-line basis, between the weekly average yields on the United States Treasury Securities that have a constant maturity closest to and greater than the remaining term and the United States Treasury Securities that have a constant maturity closest to and less than the remaining term (in each case as set forth in the H.15 statistical release or any successor release). Any weekly average yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If weekly average yields for United States Treasury Securities are not available in the H.15 statistical release or otherwise, then the comparable treasury yield will be calculated by interpolation of comparable rates selected by an independent investment banking institution selected in the manner described in the second preceding paragraph.

If we redeem the notes in part, the trustee will select the notes for redemption on a pro rata basis, by lot or by such other method as the trustee in its sole discretion deems fair and appropriate. We will only redeem notes in multiples of $1,000 in original principal amount. If any note is to be redeemed in part only, the notice of redemption will state the portion of the principal amount to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued upon the cancellation of the original note.

Sinking Fund

We are not obligated to make mandatory redemption or sinking fund payments with respect to the notes.

Restrictive Covenant

Other than the covenant described below, the indenture does not contain financial covenants and does not restrict us from paying dividends, incurring additional indebtedness or issuing or repurchasing any of our other securities. The indenture also does not protect holders in the event of a highly leveraged transaction, except to the extent described in the accompanying prospectus under the heading Description of Our Senior Debt Consolidation, Merger and Sale of Assets. The restrictive covenant summarized below is applicable to the notes; provided, however, that it will terminate pursuant to the termination provision of the indenture and will no longer be applicable to the notes on and after the date, which we refer to as the termination date, on which there remains outstanding, in the aggregate, no more than $200 million in principal amount of our:

5.875% Senior Notes due 2008 ($200 million outstanding as of November 30, 2006),

6.850% Senior Notes due 2015 ($200 million outstanding as of November 30, 2006), 7.25% Senior Notes due 2010 ($200 million outstanding as of November 30, 2006),

3.75% Convertible Senior Notes due 2023 ($575 million outstanding as of November 30, 2006), and

long-term indebtedness (but excluding for this purpose any long-term indebtedness incurred pursuant to any revolving credit facility, letter of credit facility or other similar bank credit facility) issued subsequent to the issuance of the notes and prior to the termination date containing a covenant substantially similar to the restrictive covenant summarized below, or an event of default substantially similar to the event of default described in the fourth bullet under Events of Default below, but not containing the termination provision.

Our 5.875% Senior Notes due 2008, our 6.850% Senior Notes due 2015, our 7.25% Senior Notes due 2010 and our 3.75% Convertible Senior Notes due 2023 have a covenant similar to the restrictive covenant summarized below.

Limitations on Liens. So long as any of the notes is outstanding, we will not pledge, mortgage, hypothecate or grant a security interest in, or permit any mortgage, pledge, security interest or other lien upon, any capital stock or other equity interests now or hereafter owned by us in any Significant Subsidiary to secure any Indebtedness, without making effective provision whereby the outstanding notes shall be equally and ratably secured. This restriction shall not apply to:

any mortgage, pledge, security interest, lien or encumbrance upon the capital stock or other equity interests of CenterPoint Energy Transition Bond Company, LLC, CenterPoint Energy Transition Bond Company II, LLC or any other special purpose subsidiary hereafter created by us in connection with the issuance of securitization bonds for the economic value of generation-related regulatory assets and stranded costs,

any mortgage, pledge, security interest, lien or encumbrance upon any capital stock or other equity interests in an entity which was not affiliated with us prior to one year before the grant of such mortgage, pledge, security interest, lien or encumbrance (or the capital stock or other equity interests of a holding company formed to acquire or hold such capital stock or other equity interests) created at the time of our acquisition of the capital stock or other equity interests or within one year after such time to secure all or a portion of the purchase price for such capital stock or other equity interests; provided that the principal amount of any Indebtedness secured by such mortgage, pledge, security interest, lien or encumbrance does not exceed 100% of such purchase price and the fees, expenses and costs incurred in connection with such acquisition and acquisition financing,

any mortgage, pledge, security interest, lien or encumbrance existing upon capital stock or other equity interests in an entity which was not affiliated with us prior to one year before the grant of such mortgage, pledge, security interest, lien or encumbrance at the time of our acquisition of such capital stock or other equity interests (whether or not the obligations secured thereby are assumed by us or such subsidiary becomes a Significant Subsidiary); provided that (i) such mortgage, pledge, security interest, lien or encumbrance existed at the time such entity became a Significant Subsidiary and was not created in anticipation of the acquisition and (ii) any such mortgage, pledge, security interest, lien or encumbrance does not by its terms secure any Indebtedness other than Indebtedness existing or committed immediately prior to the time such entity becomes a Significant Subsidiary,

liens for taxes, assessments or governmental charges or levies to the extent not past due or which are being contested in good faith by appropriate proceedings diligently conducted and for which we have provided adequate reserves for the payment thereof in accordance with generally accepted accounting principles, pledges or deposits in the ordinary course of business to secure obligations under workers compensation laws or similar legislation,

materialmen s, mechanics , carriers , workers and repairmen s liens imposed by law and other similar liens arising in the ordinary course of business for sums not yet due or currently being contested in good faith by appropriate proceedings diligently conducted, attachment, judgment or other similar liens, which have not been effectively stayed, arising in connection with court proceedings; provided that such liens, in the aggregate, shall not secure judgments which exceed $50,000,000 aggregate principal amount at any one time outstanding; provided further that the execution or enforcement of each such lien is effectively stayed within 30 days after entry of the corresponding judgment (or the corresponding judgment has been discharged within such 30 day period) and the claims secured thereby are being contested in good faith by appropriate proceedings timely commenced and diligently prosecuted,

other liens not otherwise referred to in the above bullets, provided that the Indebtedness secured by such liens in the aggregate, shall not exceed 1% of consolidated gross assets appearing in our most recent audited consolidated financial statements at any one time outstanding,

any mortgage, pledge, security interest, lien or encumbrance on the capital stock or other equity interests of any subsidiary that was otherwise permitted hereunder if such subsidiary subsequently becomes a Significant Subsidiary, or

any extension, renewal or refunding of Indebtedness secured by any mortgage, pledge, security interest, lien or encumbrance described in the above bullets; provided that the principal amount of any such Indebtedness is not increased by an amount greater than the fees, expenses and costs incurred in connection with such extension, renewal or refunding.

Defined Terms

An affiliate of, or a person affiliated with, a specific person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

The term control (including the terms controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise.

Indebtedness, as applied to any person, means bonds, debentures, notes and other instruments or arrangements representing obligations created or assumed by such person, in respect of:

obligations for money borrowed, other than unamortized debt discount or premium,

obligations evidenced by a note or similar instrument given in connection with the acquisition of any business, properties or assets of any kind,

obligations as lessee under a capital lease, and

any amendments, renewals, extensions, modifications and refundings of any such indebtedness or obligations listed in the three immediately preceding bullet points.

All indebtedness of such type secured by a lien upon property owned by such person, although such person has not assumed or become liable for the payment of such indebtedness, is also deemed to be indebtedness of such person. All indebtedness for borrowed money incurred by any other persons which is directly guaranteed as to payment of principal by such person will for all purposes of the indenture be deemed to be indebtedness of such person, but no other contingent obligation of such person in respect of indebtedness incurred by any other persons shall be deemed indebtedness of such person.

Significant Subsidiary means CERC and CenterPoint Houston, and any other subsidiary which, at the time of the creation of a pledge, mortgage, security interest or other lien upon any capital stock or other equity interests of such subsidiary, has consolidated gross assets (having regard to our beneficial interest in the shares, or the like, of that subsidiary) that represent at least 25% of our consolidated gross assets appearing in our most recent audited consolidated financial statements.

A subsidiary of any entity means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock or

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comparable interests having ordinary voting power to elect a majority of the board of directors or comparable governing body of such entity (irrespective of whether at the time capital stock or comparable interests of any other class or classes of such entity shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership, joint venture or other entity or (iii) the beneficial interest in such trust or estate, is at the time directly or indirectly owned or controlled by such entity, by such entity and one or more of its other subsidiaries or by one or more of such entity s other subsidiaries.

Events of Default

Each of the following is an event of default under the indenture with respect to the notes; provided, however, that the event of default described in the fourth bullet point below will terminate pursuant to the termination provision of the indenture and will no longer be applicable to the notes on and after the termination date referred to under Restrictive Covenant above:

- our failure to pay the principal of or premium, if any, on the notes when due, including at maturity or upon redemption,

- our failure to pay any interest on the notes for 30 days after the interest becomes due,

- our failure to perform, or our breach in any material respect of, any other covenant or warranty in the indenture, other than a covenant or warranty included in the indenture solely for the benefit of another series of our debt securities issued under the indenture, for 90 days after either the trustee or holders of at least 25% in principal amount of the outstanding notes have given us written notice of the breach in the manner required by the indenture,

- the default by us, CERC or CenterPoint Houston in a scheduled payment at maturity, upon redemption or otherwise in the aggregate principal amount of $50 million or more, after the expiration of any applicable grace period, of any Indebtedness, or the acceleration of any Indebtedness of us, CERC or CenterPoint Houston in such aggregate principal amount so that it becomes due and payable prior to the date on which it would otherwise have become due and payable and such payment default is not cured or such acceleration default is not rescinded within 30 days after notice to us in accordance with the terms of the Indebtedness; provided that such payment default or acceleration of CERC or CenterPoint Houston will not be an event of default if, at the time such event occurs, CERC or CenterPoint Houston, as the case may be, is not affiliated with us, and

- specified events involving bankruptcy, insolvency or reorganization of us, CERC or CenterPoint Houston; provided that any specified event involving CERC or CenterPoint Houston will not be an event of default if, at the time such event occurs, CERC or CenterPoint Houston, as the case may be, is not affiliated with us,

provided, however, that no event described in the third bullet point above will be an event of default until an officer of the trustee, assigned to and working in the trustee s corporate trust department, has actual knowledge of the event or until the trustee receives written notice of the event. (Section 501)

If an event of default occurs and is continuing with respect to the notes, either the trustee or the holders of at least 25% in principal amount of the outstanding notes may declare the principal amount of the notes due and immediately payable. In order to declare the principal amount of the notes due and immediately payable, the trustee or the holders must deliver a notice that satisfies the requirements of the indenture. Upon a declaration by the trustee or the holders, we will be obligated to pay the principal amount of the notes plus accrued and unpaid interest, if any.

This right does not apply if an event of default described in the fifth bullet point above occurs. If one of the events of default described in the fifth bullet point above occurs and is continuing, the notes then outstanding under the indenture will be due and payable immediately.

At any time after any declaration of acceleration of the notes, but before a judgment or decree for payment of the money due has been obtained by the trustee, the event of default giving rise to the declaration of acceleration will, without further act, be deemed to have been waived, and such declaration and its consequences will, without further act, be deemed to have been rescinded and annulled if:

we have paid or deposited with the trustee a sum sufficient to pay:

all overdue installments of interest on the notes,

the principal of (and premium, if any, on) the notes that have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor,

to the extent lawfully permitted, interest upon overdue interest, and

all sums paid or advanced by, and certain sums owed to, the trustee under the indenture, and

all events of default, other than the non-payment of the principal amount of the notes that became due solely by such declaration of acceleration, have been cured or waived as provided in the indenture. (Section 502) For more information regarding waiver of defaults, please read Description of Our Senior Debt Securities Modification and Waiver in the accompanying prospectus.

If an event of default occurs and is continuing, the trustee will generally have no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless the holders offer reasonable indemnity to the trustee. (Section 603) The holders of a majority in principal amount of the outstanding notes will generally have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee for the notes, provided that:

the direction is not in conflict with any law or the indenture,

the trustee may take any other action it deems proper which is not inconsistent with the direction, and

the trustee will generally have the right to decline to follow the direction if an officer of the trustee determines, in good faith, that the proceeding would involve the trustee in personal liability or would otherwise be contrary to applicable law. (Section 512)

A holder of a note may only pursue a remedy under the indenture if:

the holder has previously given the trustee written notice of a continuing event of default for the notes,

holders of at least 25% in principal amount of the outstanding notes have made a written request to the trustee to pursue that remedy,

the holders have offered reasonable indemnity to the trustee,

the trustee fails to pursue that remedy within 60 days after receipt of the request, and

during that 60-day period, the holders of a majority in principal amount of the notes do not give the trustee a direction inconsistent with the request. (Section 507)

However, these limitations do not apply to a suit by a holder of a note demanding payment of the principal, premium, if any, or interest on a note on or after the date the payment is due. (Section 508)

We will be required to furnish to the trustee annually a statement by some of our officers regarding our performance or observance of any of the terms of the indenture and specifying all of our known defaults, if any. (Section 1004)

Satisfaction and Discharge

We may discharge our obligations under the indenture while notes remain outstanding if (1) all outstanding debt securities issued under the indenture have become due and payable, (2) all outstanding debt securities issued under the indenture have or will become due and payable at their scheduled maturity within one year, or (3) all outstanding debt securities issued under the indenture are scheduled for redemption in one year, and in each case, we have deposited with the trustee an amount sufficient to pay and discharge all

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outstanding debt securities issued under the indenture on the date of their scheduled maturity or the scheduled date of redemption.

Payment and Paying Agent

We have designated the trustee as the sole paying agent for the notes.

Regarding the Trustee

The Bank of New York Trust Company, National Association, successor to JPMorgan Chase Bank, National Association, is the trustee, security registrar and paying agent under the indenture for the notes. As of November 30, 2006, the trustee served as trustee for approximately $2.4 billion aggregate principal amount of our debt securities and pollution control bonds issued on our behalf aggregating approximately $1.2 billion. In addition, the trustee served as trustee for debt securities and trust preferred securities issued by or on behalf of our subsidiaries, aggregating approximately $4.9 billion as of November 30, 2006. We maintain brokerage relationships with the trustee and its affiliates.

Book-Entry Delivery and Settlement

We will issue the notes in the form of one or more permanent global notes in definitive, fully registered, book-entry form. The global notes will be deposited with or on behalf of The Depository Trust Company and registered in the name of Cede & Co., as nominee of DTC, or will remain in the custody of the trustee in accordance with the FAST Balance Certificate Agreement between DTC and the trustee.

Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may hold interests in the global notes through DTC either directly if they are participants in DTC or indirectly through organizations that are participants in DTC. DTC has advised us as follows:

> DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under Section 17A of the Securities Exchange Act of 1934.
>
> DTC holds securities that its participants deposit with DTC and facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants accounts, thereby eliminating the need for physical movement of securities certificates.
>
> Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations.
>
> DTC is owned by a number of its direct participants and by The New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc.
>
> Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

The rules applicable to DTC and its direct and indirect participants are on file with the SEC.

We have provided the description of the operations and procedures of DTC in this prospectus supplement solely as a matter of convenience. These operations and procedures are solely within the control of DTC and are subject to change by it from time to time. Neither we nor the underwriters or the trustee takes any responsibility for these operations or procedures, and you are urged to contact DTC or its participants directly to discuss these matters.

We expect that under procedures established by DTC:

upon deposit of the global notes with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global notes; and

ownership of the notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in DTC s system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or the global note.

Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to the notes.

Payments on the notes represented by the global notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. We expect that DTC or its nominee, upon receipt of any payment on the notes represented by a global note, will credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. Although DTC has agreed to the foregoing procedures to facilitate transfers of the notes among its participants, it is under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

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Certificated Notes

Certificated notes will be issued to each person that DTC identifies as the beneficial owner of the notes represented by the global notes, upon surrender by DTC of the global notes, if (i) we notify the trustee in writing that DTC or any successor depositary (the depositary) is no longer willing or able to act as a depositary for the global notes or DTC ceases to be registered as a clearing agency under the Securities Exchange Act of 1934 and a successor depositary is not appointed within 90 days of such notice or cessation, (ii) we, at our option and subject to DTC procedures, notify the trustee in writing that we elect to cause the issuance of notes in definitive form under the indenture or (iii) upon the occurrence of certain other events as provided pursuant to the indenture.

UNDERWRITING

Subject to the terms and conditions set forth in an underwriting agreement between us and the underwriters named below, for whom Banc of America Securities LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. are acting as representatives, we have agreed to sell to each of the underwriters, and each of the underwriters has severally agreed to purchase from us, the principal amount of notes set forth opposite its name below.

Underwriter	Principal Amount
Banc of America Securities LLC	$ 63,333,334
Deutsche Bank Securities Inc.	63,333,333
J.P. Morgan Securities Inc.	63,333,333
Citigroup Global Markets Inc.	15,000,000
Credit Suisse Securities (USA) LLC	15,000,000
UBS Securities LLC	15,000,000
Wachovia Capital Markets, LLC	15,000,000
Total	$ 250,000,000

The obligations of the underwriters, including their agreement to purchase the notes from us, are several and not joint. The underwriting agreement provides that the obligations of the underwriters are subject to certain conditions and that the underwriters will be obligated to purchase all of the notes if any are purchased. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of the non-defaulting underwriters may be increased or the offering of notes may be terminated.

The underwriters have advised us that they propose to initially offer the notes to the public at the offering price appearing on the cover page of this prospectus supplement and may also offer the notes to dealers at a price that represents a concession not in excess of 0.40% of the principal amount of the notes. Any underwriter may allow, and any of these dealers may re-allow, a concession not in excess of 0.25% of the principal amount of the notes. After the initial offering of the notes, the underwriters may from time to time vary the offering price and other selling terms.

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange. The underwriters have advised us that they intend to make a market in the notes after the offering, although they are under no obligation to do so. The underwriters may discontinue any market-making activities at any time without any notice. We can give no assurance as to the liquidity of the trading market for the notes or that a public trading market for the notes will develop.

In connection with the offering of the notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may overallot in connection with the offering of the notes, creating a syndicate short position. In addition, the underwriters may bid for, and purchase, the notes in the open market to cover short positions or to stabilize the price of the notes. Finally, the underwriters may reclaim selling concessions allowed for distributing the notes in the offering, if the underwriters repurchase previously distributed notes in transactions to cover short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market prices of the notes above independent market levels. The underwriters are not required to engage in any of these activities, and may end any of them at any time without notice.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $533,000.

We have agreed to indemnify the underwriters against, or contribute to payments that the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933, as amended.

In the ordinary course of their respective businesses, the underwriters and/or their affiliates have engaged, and may in the future engage, in commercial banking, investment banking or investment management

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transactions with us and our affiliates for which they have received, and will in the future receive, customary compensation. The underwriters or their affiliates are lenders under our revolving credit facility. We may use the net proceeds of the offering in connection with the repayment of a portion of our revolving credit facility, as described under Use of Proceeds. Because more than 10% of the net offering proceeds of the offering may be paid to the underwriters or their respective affiliates or associated persons, this offering is being made pursuant to the provisions of Rule 2710(h) of the Conduct Rules of the National Association of Securities Dealers.

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LEGAL MATTERS

Baker Botts L.L.P., Houston, Texas will pass on the validity of the notes offered in this prospectus supplement. Scott E. Rozzell, Esq., our Executive Vice President, General Counsel and Corporate Secretary, or Rufus S. Scott, Esq., our Vice President, Deputy General Counsel and Assistant Corporate Secretary, may pass on other legal matters for us. Dewey Ballantine LLP will pass on certain legal matters for the underwriters.

EXPERTS

The consolidated financial statements, the related consolidated financial statement schedules and management s report on the effectiveness of internal control over financial reporting incorporated in this document by reference from our Annual Report on Form 10-K for the year ended December 31, 2005 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports (which reports express an unqualified opinion and include an explanatory paragraph regarding our adoption of a new accounting standard related to conditional asset retirement obligations), which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

From time to time we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our forward-looking statements by the words anticipate, believe, continue, could, estimate, expect, forecast, may, objective, plan, potential, predict, projection, should, will, or other similar words.

We have based our forward-looking statements on our management s beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

The following are some of the factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements:

- the timing and amount of our recovery of the true-up components, including, in particular, the results of appeals to the courts of determinations on rulings obtained to date;
- state and federal legislative and regulatory actions or developments, including deregulation, re-regulation, changes in or application of laws or regulations applicable to other aspects of our business;
- timely and appropriate rate actions and increases, allowing recovery of costs and a reasonable return on investment;
- industrial, commercial and residential growth in our service territory and changes in market demand and demographic patterns;

the timing and extent of changes in commodity prices, particularly natural gas;

changes in interest rates or rates of inflation;

weather variations and other natural phenomena;

the timing and extent of changes in the supply of natural gas;

the timing and extent of changes in natural gas basis differentials;

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- commercial bank and financial market conditions, our access to capital, the cost of such capital, and the results of our financing and refinancing efforts, including availability of funds in the debt capital markets;
- actions by rating agencies;
- effectiveness of our risk management activities;
- inability of various counterparties to meet their obligations to us;
- non-payment for our services due to financial distress of our customers, including RRI;
- the ability of RRI and its subsidiaries to satisfy their obligations to us, including indemnity obligations, or in connection with the contractual arrangements pursuant to which we are a guarantor;
- the outcome of litigation brought by or against us;
- our ability to control costs;
- the investment performance of our employee benefit plans;
- our potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or to have the anticipated benefits to us; and
- other factors we discuss in Risk Factors beginning on page S-5 of this prospectus supplement.

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. You may read and copy any document we file with the SEC at the SEC s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain further information regarding the operation of the SEC s public reference room by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public on the SEC s Internet site located at http://www.sec.gov. You can obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus supplement is part of a registration statement we have filed with the SEC relating to the securities we may offer. As permitted by SEC rules, this prospectus supplement does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, the exhibits and the schedules for more information about us and our securities. The registration statement, exhibits and schedules are available at the SEC s public reference room or through its Internet site.

We are incorporating by reference into this prospectus supplement information we file with the SEC. This means we are disclosing important information to you by referring you to the documents containing the information. The information we incorporate by reference is considered to be part of this prospectus supplement. Information that we file later with the SEC that is deemed incorporated by reference into this prospectus supplement (but not information deemed to be furnished to and not filed with the SEC) will automatically update and supersede information previously included.

We are incorporating by reference into this prospectus supplement the documents listed below and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding information deemed to be furnished and not filed with the SEC) until all the securities are sold:

our Annual Report on Form 10-K for the year ended December 31, 2005,

our Quarterly Reports on Form 10-Q for the periods ended March 31, 2006, June 30, 2006 and September 30, 2006, and

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our Current Reports on Form 8-K filed on February 28, 2006 (Item 8.01), February 28, 2006 (Items 1.01 and 9.01), March 30, 2006, April 3, 2006, April 4, 2006, July 20, 2006, July 28, 2006, August 23, 2006 (Item 8.01), November 15, 2006, December 14, 2006, December 21, 2006 and January 24, 2007.

You may also obtain a copy of our filings with the SEC at no cost by writing to or telephoning us at the following address:

CenterPoint Energy, Inc.
Attn: Investor Relations
P.O. Box 4567
Houston, Texas 77210-4567
(713) 207-6500

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PROSPECTUS

CenterPoint Energy, Inc.
1111 Louisiana
Houston, Texas 77002
(713) 207-1111

$1,000,000,000
Senior Debt Securities
Common Stock
Preferred Stock

We will provide the specific terms of the securities in one or more supplements to this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest in our securities. Our common stock is listed on the New York Stock Exchange and the Chicago Stock Exchange under the symbol CNP.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 16, 2004.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. WE ARE NOT MAKING AN OFFER OF THESE SECURITIES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THAT DOCUMENT. ANY INFORMATION WE HAVE INCORPORATED BY REFERENCE IS ACCURATE ONLY AS OF THE DATE OF THE DOCUMENT INCORPORATED BY REFERENCE.

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