

CENTERPOINT ENERGY INC

FORM SC TO-I (Tender offer statement by Issuer)

Filed 04/17/08

Address	1111 LOUISIANA ST HOUSTON, TX 77002
Telephone	7132073000
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Industry	Electric Utilities
Sector	Technology
Fiscal Year	12/31

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement
under Section 14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934

CenterPoint Energy, Inc.

(Name of Subject Company (issuer))

CenterPoint Energy, Inc.

(Names of Filing Persons (identifying status as offeror, issuer or other person))

3.75% Convertible Senior Notes Due 2023
3.75% Convertible Senior Notes, Series B Due 2023
 (Title of Class of Securities)

15189TAA5 and 15189TAC1
15189TAM9
 (CUSIP Number of Class of Securities)

Rufus S. Scott
Senior Vice President, Deputy General Counsel and Assistant Corporate Secretary
CenterPoint Energy, Inc.
1111 Louisiana
Houston, Texas 77002
(713) 207-1111

(Name, Address and Telephone Number of Person Authorized to Receive Notices
 and Communications on Behalf of Filing Persons)

Copy to:

Gerald M. Spedale
Baker Botts L.L.P.
One Shell Plaza
910 Louisiana
Houston, Texas 77002-4995
(713) 229-1234

CALCULATION OF FILING FEE

Transaction Valuation *	Amount of Filing Fee **
\$390,851,000	\$15,360

* For purposes of calculating amount of filing fee only. The transaction valuation upon which the filing fee was based was calculated as follows: The purchase price of the 3.75% Convertible Senior Notes due 2023 and the 3.75% Convertible Senior Notes, Series B due 2023, each as described herein, is \$1,000 per \$1,000 principal amount outstanding. As of April 15, 2008, there was \$390,851,000 aggregate principal amount outstanding, resulting in an aggregate purchase price of \$390,851,000.

** The amount of the filing fee equals \$39.30 per \$1 million of the value of the transaction.

- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing registration statement number, or the Form or Schedule and the date of its filing.
- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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This Tender Offer Statement on Schedule TO is filed by CenterPoint Energy, Inc., a Texas corporation (the “Company”), and relates to the Company’s offer to purchase the 3.75% Convertible Senior Notes due 2023 (the “Old Notes”) and the 3.75% Convertible Senior Notes, Series B due 2023 (the “New Notes”) and, together with the Old Notes, the “Notes”) that were issued by the Company upon the terms and conditions set forth in the Indenture (as defined below), the Company Notice dated April 17, 2008 (the “Company Notice”), and the related offer materials filed as Exhibits (a)(1)(B) to (a)(1)(E) to this Schedule TO (which Company Notice and related offer materials, as amended or supplemented from time to time, collectively constitute the “Option Materials”).

The Notes were issued pursuant to the Indenture dated as of May 19, 2003 (the “Original Indenture”) by and between the Company and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank), as Trustee (the “Trustee”), as amended and supplemented by Supplemental Indenture No. 1 dated as of May 19, 2003 (“Supplemental Indenture No. 1”), under which the Old Notes were issued, and Supplemental Indenture No. 6 dated as of August 23, 2005 (“Supplemental Indenture No. 6”), under which the New Notes were issued (such Original Indenture, as amended and supplemented by Supplemental Indenture No. 1 and Supplemental Indenture No. 6, the “Indenture”). Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

On April 16, 2008, the Company announced that it had called for redemption all of the outstanding Notes on May 30, 2008 (the “Redemption Date”). The redemption price will be \$1,000 in cash plus accrued and unpaid interest, including contingent interest, if any, to the Redemption Date. The amount of regular interest that will be payable with respect to the Notes on the Redemption Date is \$1.56 per \$1,000 principal amount of Notes. Pursuant to the Indenture and the Notes, the amount of contingent interest that will be payable with respect to the Notes on the Redemption Date, if any, will be determined by reference to the average trading price of the Notes for the five business days ending on May 13, 2008 (the “Average Trading Price”). If the Average Trading Price equals or exceeds \$1,200 per \$1,000 principal amount of Notes, the amount of contingent interest payable for the six-month interest period ending November 14, 2008 will equal 0.25% of the Average Trading Price per \$1,000 principal amount of Notes. The amount of contingent interest, if any, that will be payable with respect to the Notes on the Redemption Date will equal a pro rated portion of such six-month amount, as accrued to the Redemption Date.

Holders of Notes at 5:00 p.m., New York City time, on May 1, 2008, the regular record date for the May 15, 2008 interest payment on the Notes, will receive interest in the amount of \$18.75 per \$1,000 principal amount of Notes payable on May 15, 2008. Notes surrendered for conversion by holders during the period from 5:00 p.m., New York City time, on May 1, 2008 to 9:00 a.m., New York City time, on May 15, 2008 must be accompanied by a payment of \$18.75 per \$1,000 principal amount of Notes surrendered for conversion, which amount equals the regular interest payment that the holder is to receive on such Notes. Holders that submit Notes for conversion after 9:00 a.m., New York City time, on May 15, 2008 need not submit any interest payment in connection with the conversion.

The Old Notes are convertible into shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”), and the New Notes are convertible into cash or, at the Company’s option, a combination of cash and shares of Common Stock, subject to the terms, conditions and adjustments specified in the Indenture and the Notes. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of Common Stock per \$1,000 principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted and the Company’s conversion obligation with respect to such New Notes, and by delivering shares of Common Stock to the extent that such conversion obligation exceeds the aggregate principal amount of New Notes being converted.

The right of holders to surrender their Notes for purchase by the Company (which we refer to as the “Option”) will expire at 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. This Schedule TO is intended to satisfy the disclosure requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

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The Company is the issuer of the Notes, and the Company is offering to purchase for cash all of the Notes if tendered by the holders under the terms and subject to the conditions set forth in the Indenture, the Notes and the Option Materials. The Old Notes are convertible into shares of Common Stock and the New Notes are convertible into cash or, at the Company's option, a combination of cash and shares of Common Stock, subject to the terms, conditions and adjustments specified in the Indenture and the Notes. The Company maintains its principal executive offices at 1111 Louisiana, Houston, Texas 77002. The Company's telephone number at that address is (713) 207-1111.

As permitted by General Instruction F to Schedule TO, all of the information set forth in the Option Materials is incorporated by reference into this Schedule TO.

ITEM 10. Financial Statements.

The Company believes that its financial condition is not material to a holder's decision whether to exercise the Option because (1) the consideration being paid to holders surrendering Notes consists solely of cash, (2) the Option is not subject to any financing conditions, (3) the Option applies to all outstanding Notes and (4) the Company is a public reporting company that files reports electronically on EDGAR. The financial condition and results of operations of the Company and its subsidiaries are reported electronically on EDGAR on a consolidated basis.

ITEM 11. Additional Information.

(a) *Agreements, Regulatory Requirements and Legal Proceedings* . Not applicable.

(b) *Other Material Information* . Not applicable.

ITEM 12. Exhibits.

- (a)(1)(A) — Company Notice to the Holders of CenterPoint Energy, Inc. 3.75% Convertible Senior Notes due 2023 and 3.75% Convertible Senior Notes, Series B due 2023, dated April 17, 2008.
- (a)(1)(B) — Form of Purchase Notice.
- (a)(1)(C) — Form of Notice of Withdrawal.
- (a)(1)(D) — Substitute Form W-9.
- (a)(1)(E) — Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- (a)(1)(F) — The description of the Old Notes and the Indenture set forth under the caption "Description of the Notes" in the Company's prospectus dated December 4, 2003 (incorporated by reference to the Company's prospectus dated December 4, 2003, filed pursuant to Rule 424(b)(3) under the Securities Act of 1933, as amended (File No. 333-110348)).
- (a)(1)(G) — The description of the New Notes and the Indenture set forth under the caption "Description of the New Notes" in the Company's prospectus dated July 19, 2005 (incorporated by reference to the Company's prospectus dated July 19, 2005, filed pursuant to Rule 424(b)(3) under the Securities Act of 1933, as amended (File No. 333-123182)).
- (a)(5)(A) — Company Press Release dated April 16, 2008.
- (a)(5)(B) — Company Press Release dated April 17, 2008.
- (a)(5)(C) — Notice of Redemption.
- (b) — \$1,200,000,000 Second Amended and Restated Credit Agreement dated as of June 29, 2007, among the Company, Citibank, N.A., as Syndication Agent, Barclays Bank PLC, Bank of America, National Association and Credit Suisse, Cayman Islands Branch, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., as Administrative Agent, J.P. Morgan Securities Inc. and Citigroup Global Markets Inc., as Joint Lead Arrangers and Bookrunners, and the banks named therein (incorporated by reference to Exhibit 4.3 to the Company's Form 10-Q for the quarter ended June 30, 2007).
- (d)(1) — Indenture, dated as of May 19, 2003, between the Company and the Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 19, 2003).

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- (d)(2) — Supplemental Indenture No. 1 dated as of May 19, 2003 between the Company and the Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated May 19, 2003).
- (d)(3) — Supplemental Indenture No. 6, dated as of August 23, 2005, between the Company and the Trustee (incorporated by reference to Exhibit 4(g)(7) to the Company's Form 10-K for the year ended December 31, 2005).
- (g) — Not applicable.
- (h) — Not applicable.

ITEM 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 17, 2008

CENTERPOINT ENERGY, INC.

By: /s/ Walter L. Fitzgerald
Walter L. Fitzgerald
Senior Vice President and Chief Accounting Officer

INDEX TO EXHIBITS

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- (d)(3) — Supplemental Indenture No. 6, dated as of August 23, 2005, between the Company and the Trustee (incorporated by reference to Exhibit 4(g)(7) to the Company’s Form 10-K for the year ended December 31, 2005).
- (g) — Not applicable.
- (h) — Not applicable.

COMPANY NOTICE

**TO THE HOLDERS OF CENTERPOINT ENERGY, INC.
3.75% CONVERTIBLE SENIOR NOTES DUE 2023
CUSIP Numbers: 15189TAA5 and 15189TAC1*
3.75% CONVERTIBLE SENIOR NOTES, SERIES B DUE 2023
CUSIP Number: 15189TAM9***

Reference is hereby made to the Indenture dated as of May 19, 2003 (the "Original Indenture") by and between CenterPoint Energy, Inc. (the "Company") and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank), as Trustee (the "Trustee"), as amended and supplemented by Supplemental Indenture No. 1 dated as of May 19, 2003 ("Supplemental Indenture No. 1"), under which the 3.75% Convertible Senior Notes due 2023 (the "Old Notes") were issued, and Supplemental Indenture No. 6 dated as of August 23, 2005 ("Supplemental Indenture No. 6" and, together with the Original Indenture and Supplemental Indenture No. 1, the "Indenture"), under which the 3.75% Convertible Senior Notes, Series B due 2023 (the "New Notes" and, together with the Old Notes, the "Notes") were issued.

In accordance with the Indenture, at the option of each holder of the Notes, the Notes will be purchased by the Company for \$1,000 in cash per \$1,000 principal amount of the Notes plus accrued and unpaid interest to the Purchase Date, as defined below (the "Purchase Price"), subject to the terms and conditions of the Indenture, the Notes, this Company Notice and related offer materials, as amended and supplemented from time to time (the "Offer"). You may surrender all of your Notes, a portion of your Notes or none of your Notes for purchase. Notes surrendered for purchase will be accepted only in principal amounts equal to \$1,000 or integral multiples thereof. The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes. Any Note purchased by the Company will be paid for in cash. Unless the Company defaults in making payment of the Purchase Price, interest on purchased Notes will cease to accrue on and after the Purchase Date. Holders may surrender their Notes at any time during the period beginning on Thursday, April 17, 2008 and expiring at 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. This Company Notice is being sent pursuant to the provisions of Section 701 of Supplemental Indenture No. 1 and Supplemental Indenture No. 6. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

To accept the Offer to purchase the Notes and receive payment of the Purchase Price, you must validly surrender the Notes and the enclosed Purchase Notice (the "Purchase Notice") to the Paying Agent (and not have withdrawn such surrendered Notes and the Purchase Notice), before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. Under the Indenture and the Notes, the purchase date with respect to the offer is Thursday, May 15, 2008 (the "Purchase Date"). A Purchase Notice may be withdrawn at any time before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The Company will forward to the Paying Agent, before 10:00 a.m., New York City time, on Thursday, May 15, 2008, the appropriate amount of cash required to pay the total Purchase Price for the validly surrendered Notes, and the Paying Agent will promptly distribute the cash to the holders.

HOLDERS THAT SURRENDER THROUGH THE DEPOSITORY TRUST COMPANY ("DTC") NEED NOT SUBMIT A PHYSICAL PURCHASE NOTICE TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE TRANSMITTAL PROCEDURES OF DTC.

The Trustee serves as the Paying Agent and the Conversion Agent under the Indenture with respect to the Notes. The address of the Trustee is as follows:

Mail:
The Bank of New York Trust
Company, N.A.
Global Corporate Trust
P.O. Box 2320
Dallas, TX 75221-2320

Express Delivery:
The Bank of New York Trust
Company, N.A.
Global Corporate Trust
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Hand Delivery:
The Bank of New York
101 Barclay Street
4 New York Plaza – 1st Floor
New York, NY 10286

Dated: April 17, 2008

THE BANK OF NEW YORK TRUST COMPANY,
NATIONAL ASSOCIATION, TRUSTEE, on behalf of
CenterPoint Energy, Inc.

NOTICE: Copies of this Company Notice may be obtained from the Paying Agent at its address set forth above.

* These CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the holders of the Notes. Neither the Company nor the Trustee shall be responsible for the selection or use of these CUSIP Numbers, nor is any representation made as to their correctness on the Notes or as indicated in this notice.

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No person has been authorized to give any information or to make any representations other than those contained in this Company Notice and the accompanying Purchase Notice and, if given or made, such information or representations must not be relied upon as having been authorized. This Company Notice and the accompanying Purchase Notice do not constitute an offer to buy or the solicitation of an offer to sell Notes in any circumstances or jurisdiction in which such offer or solicitation is unlawful. The delivery of this Company Notice shall not under any circumstances create any implication that the information contained herein is current as of any time subsequent to the date of such information. None of the Company or its board of directors or employees are making any representation or recommendation to any holder as to whether to surrender such holder's Notes. You should consult your own financial and tax advisors and must make your own decision as to whether to surrender your Notes for purchase and, if so, the amount of Notes to surrender.

SUMMARY TERM SHEET

The following are answers to some of the questions that you may have about the Offer. To understand the Offer fully and for a more complete description of the terms of the Offer, we urge you to read carefully the remainder of this Company Notice and the accompanying Purchase Notice because the information in this summary is not complete and those documents contain additional important information.

- **Who is offering to purchase my Notes?**

CenterPoint Energy, Inc., a Texas corporation, is offering to purchase all outstanding 3.75% Convertible Senior Notes due 2023 and 3.75% Convertible Senior Notes, Series B due 2023 issued by it that are surrendered for purchase at the option of the holder thereof. As of April 15, 2008, \$390,851,000 aggregate principal amount of Notes are outstanding, comprised of \$652,000 aggregate principal amount of Old Notes and \$390,199,000 aggregate principal amount of New Notes.

- **Why is the Company making the offer?**

The Company is required to make the offer under the terms of the Indenture and the Notes.

- **How much is the Company offering to pay?**

Under the terms of the Indenture, the Company will pay, in cash, a Purchase Price of \$1,000 per \$1,000 principal amount of the Notes plus accrued and unpaid interest to the Purchase Date with respect to any and all Notes validly surrendered for purchase and not withdrawn. The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes.

- **What is the form of payment?**

The Company is required to pay the Purchase Price in cash under the terms of the Indenture and the Notes.

- **Are the Notes convertible into stock?**

Yes. As a holder of Notes, you may surrender Notes for conversion at any time prior to maturity, unless they have been previously purchased or redeemed, in the following circumstances:

- o during any calendar quarter if the last reported sale price of the Company's common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter, is greater than or equal to 120% of the conversion price per share of the Company's common stock on such last trading day;
- o if the Notes have been called for redemption;
- o upon the occurrence of specified corporate transactions described in the Indenture; or
- o during any period in which the credit ratings assigned to the Notes by both Moody's Investors Service, Inc. and Standard & Poor's Ratings Services are lower than Ba2 and BB, respectively, or the Notes are no longer rated by at least one of these rating services or their successors.

Based on the trading price of the Company's common stock during the first calendar quarter of 2008, and as a result of the Company's call for redemption on April 16, 2008, each Note is currently convertible at any time at the option of the holder.

The current conversion rate of the Notes is 89.4381 shares of the Company's common stock, par value \$0.01 per share (the "Common Stock"), per \$1,000 principal amount of the Notes. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of Common Stock per \$1,000

principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes converted and the Company's conversion obligation with respect to such New Notes, and by delivering shares of Common Stock to the extent that the conversion obligation exceeds the aggregate principal amount of New Notes being converted (the "Excess Value"). The Company's conversion obligation with respect to the New Notes will equal the product of:

- o (x) the aggregate principal amount of New Notes to be converted by a holder divided by 1,000 multiplied by (y) the conversion rate in effect on the later of (i) the date on which the Ten-Day Average Price (as defined below) can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture (including the delivery of a conversion notice to the DTC); and
- o the average of the last reported sale prices of Common Stock for the ten-trading-day period commencing on the second trading day following the date the holder submits the Notes for conversion (the "Ten-Day Average Price").

With respect to the New Notes, the number of shares of Common Stock to be delivered, if any, will be equal to the Excess Value divided by the Ten-Day Average Price. With respect to the Notes, the Company will deliver cash in lieu of any fractional shares.

- **How can I determine the market value of the Notes?**

There is no established reporting system or market for trading in the Notes. To the extent that the Notes are traded, prices of the Notes may fluctuate widely depending on trading volume, the balance between buy and sell orders, prevailing interest rates, the Company's operating results and the market for similar securities. To the extent available, holders are urged to obtain current market quotations for the Notes before making any decision with respect to the Offer.

- **What does the Company's board of directors think of the Offer?**

The board has not made any recommendation as to whether you should surrender your Notes for purchase. You must make your own decision whether to surrender your Notes for purchase and, if so, the principal amount of Notes to surrender.

- **When does the Offer expire?**

The Offer expires at 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The Company does not plan to extend the period you have to accept the Offer unless required to do so by Federal securities laws.

- **What are the conditions to the Company's purchase of the Notes?**

Provided that the Company's purchase of validly surrendered Notes is not unlawful and no event of default under the Indenture has occurred and is continuing (other than an event of default that is cured by the payment of the Purchase Price), the purchase will not be subject to any conditions.

- **How do I surrender my Notes?**

To surrender your Notes for purchase pursuant to the Offer, you must deliver the required documents to The Bank of New York Trust Company, National Association, as Paying Agent, no later than 12:00 Midnight, New York City time, on Wednesday, May 14, 2008.

HOLDERS THAT SURRENDER THROUGH DTC NEED NOT SUBMIT A PHYSICAL PURCHASE NOTICE TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE TRANSMITTAL PROCEDURES OF DTC.

- o A holder whose Notes are held in certificated form must properly complete and execute the Purchase Notice, and deliver the notice to the Paying Agent, with any other required documents and the certificates representing the Notes to be surrendered for purchase.
- o A holder whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee must contact that nominee if that holder desires to surrender its Notes and instruct that nominee to surrender the Notes on the holder's behalf.
- o A holder who is a DTC participant should surrender its Notes electronically through DTC's Automated Tenders over the Participant Terminal System ("PTS"), subject to the terms and procedures of that system.

- **If I surrender, when will I receive payment for my Notes?**

The Company will accept for payment all validly surrendered Notes immediately upon expiration of the Offer. The Company will forward to the Paying Agent, before 10:00 a.m., New York City time, on Thursday, May 15, 2008, the appropriate amount of cash required to pay the total Purchase Price for the validly surrendered Notes, and the Paying Agent will promptly distribute the cash to the holders.

- **Until what time can I withdraw previously surrendered Notes?**

You can withdraw previously surrendered Notes at any time before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008.

- **How do I withdraw previously surrendered Notes?**

To withdraw previously surrendered Notes, you must deliver an executed written notice of withdrawal substantially in the form attached prior to 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The notice of withdrawal must state:

- o the principal amount of the withdrawn Notes;
- o if certificated Notes have been issued, the certificate numbers of the withdrawn Notes; and
- o the principal amount, if any, that remains subject to the original Purchase Notice.

HOLDERS THAT WITHDRAW THROUGH DTC NEED NOT SUBMIT A PHYSICAL NOTICE OF WITHDRAWAL TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE WITHDRAWAL PROCEDURES OF DTC.

- **Do I need to do anything if I do not wish to surrender my Notes for purchase?**

No. If you do not deliver a properly completed and duly executed Purchase Notice to the Paying Agent or surrender your Notes electronically through DTC's Automated Tenders over the PTS before the expiration of the Offer, the Company will not purchase your Notes pursuant to the Offer and your Notes will remain outstanding subject to their existing terms.

- **If I choose to surrender my Notes for purchase, do I have to surrender all of my Notes?**

No. You may surrender all of your Notes, a portion of your Notes or none of your Notes for purchase. If you wish to surrender a portion of your Notes for purchase, however, you must surrender your Notes in a principal amount of \$1,000 or an integral multiple of \$1,000.

- **If I do not surrender my Notes for purchase, will I continue to be able to exercise my conversion rights?**

If you do not surrender your Notes for purchase, your conversion rights will not be affected. You will continue to have the right to convert your Notes in accordance with their terms.

- **If I am a U.S. resident for U.S. federal income tax purposes, will I have to pay taxes if I surrender my Notes for purchase in the Offer?**

The receipt of cash in exchange for Notes pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. You should consult with your own tax advisor regarding the actual tax consequences to you.

- **Who is the Paying Agent?**

The Bank of New York Trust Company, National Association, the trustee for the Notes, is serving as Paying Agent in connection with the Offer. Its address and telephone number are set forth on the front cover page of this Company Notice.

- **Who can I talk to if I have questions about the Offer?**

Questions and requests for assistance in connection with the surrender of Notes for purchase pursuant to the Offer may be directed to Kathryn Maxwell at The Bank of New York Trust Company, National Association at (713) 483-6817.

IMPORTANT INFORMATION CONCERNING THE OFFER

1. Information Concerning the Company.

CenterPoint Energy, Inc., a Texas corporation, is offering to purchase its 3.75% Convertible Senior Notes due 2023 and its 3.75% Convertible Senior Notes, Series B due 2023. The Old Notes are convertible into shares of Common Stock and the New Notes are convertible into cash or, at the Company's option, a combination of cash and shares of Common Stock, subject to the terms, conditions and adjustments specified in the Indenture and the Notes.

The Company is a public utility holding company. As of the date of this Company Notice, the Company's indirect wholly owned subsidiaries include:

- CenterPoint Energy Houston Electric, LLC, 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."), which owns and operates natural gas distribution systems in six states. Subsidiaries of CERC Corp. own interstate natural gas pipelines and gas gathering systems and provide various ancillary services. A wholly owned subsidiary of CERC Corp. offers variable and fixed-price physical natural gas supplies primarily to commercial and industrial customers and electric and gas utilities.

The Company's principal executive offices are located at 1111 Louisiana, Houston, Texas 77002 (telephone number: (713) 207-1111). The Common Stock is listed on the New York Stock Exchange under the symbol "CNP."

2. Information Concerning the Notes.

The Company issued the Notes under an Indenture dated as of May 19, 2003 by and between the Company and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank), as Trustee, as amended and supplemented by Supplemental Indenture No. 1 dated as of May 19, 2003, under which the Old Notes were issued, and Supplemental Indenture No. 6 dated as of August 23, 2005, under which the New Notes were issued. The description of the Old Notes and the Indenture set forth under the caption "Description of the Notes" in the Company's prospectus dated December 4, 2003 and the description of the New Notes and the Indenture set forth under the caption "Description of the New Notes" in the Company's prospectus dated July 19, 2005 are incorporated herein by reference. As of April 15, 2008, \$390,851,000 aggregate principal amount of the Notes are outstanding, comprised of \$652,000 aggregate principal amount of Old Notes and \$390,199,000 aggregate principal amount of New Notes.

2.1. The Company's Obligation to Purchase the Notes.

This Offer will expire at 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The Company does not plan to extend the period holders of Notes have to accept the Offer unless required to do so by federal securities law. If holders do not validly surrender their Notes before the expiration of the Offer, their Notes will remain outstanding subject to the existing terms of the Indenture and the Notes.

Under the Indenture, the Company is obligated to purchase on Thursday, May 15, 2008 all Notes validly surrendered for purchase and not withdrawn, at the holder's option, prior to the expiration of the Offer. The purchase by the Company of validly surrendered Notes is not subject to any conditions other than (i) the absence of a continuing event of default under the Indenture (other than an event of default that is cured by the payment of the Purchase Price) and (ii) the purchase being lawful.

2.2. Purchase Price.

Under the Indenture and the Notes, the Purchase Price that will be paid for the Notes is \$1,000 per \$1,000 principal amount of the Notes plus accrued and unpaid interest to the Purchase Date. The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes. The Purchase Price will be paid in cash with respect to any and all Notes validly surrendered for purchase and not withdrawn prior to the expiration of

the Offer. Notes surrendered for purchase will be accepted only in principal amounts equal to \$1,000 or integral multiples thereof.

The Purchase Price is based solely on the requirements of the Indenture and the Notes and bears no relationship to the market price of the Notes or of the Common Stock. Accordingly, the Purchase Price may be significantly higher or lower than the current market price of the Notes. Holders of Notes are urged to obtain the best available information as to the potential current market prices of the Notes, to the extent available, and the Common Stock before making a decision whether to surrender their Notes for purchase.

None of the Company or its board of directors or employees is making any recommendation to holders as to whether to surrender or refrain from surrendering Notes for purchase pursuant to this Company Notice. Each holder must make its own decision whether to surrender its Notes for purchase and, if so, the principal amount of Notes to surrender based on that holder's assessment of the current market value of the Notes and the Common Stock and other relevant factors.

2.3. Conversion Rights of Notes.

The current conversion rate of the Notes is 89.4381 shares of Common Stock per \$1,000 principal amount of the Notes, subject to the terms, conditions and adjustments specified in the Indenture and in the Notes, which is equivalent to a conversion price of \$11.18 per share of Common Stock. A holder may convert fewer than all of such holder's Notes so long as the Notes converted equal \$1,000 principal amount or an integral multiple thereof. The Trustee, whose address appears on the cover of this Purchase Notice, is currently acting as Conversion Agent for the Notes. Holders that do not surrender their Notes for purchase pursuant to the Offer will maintain the right to convert their Notes, subject to the terms, conditions and adjustments specified in the Indenture and in the Notes.

Holders may surrender Notes for conversion prior to stated maturity only in the following circumstances:

- during any calendar quarter if the last reported sale price of the Common Stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter, is greater than or equal to 120% of the conversion price per share of Common Stock on such last trading day;
- if the Notes have been called for redemption;
- upon the occurrence of specified corporate transactions described in the Indenture; or
- during any period in which the credit ratings assigned to the Notes by both Moody's Investors Service, Inc. and Standard & Poor's Ratings Services are lower than Ba2 and BB, respectively, or the Notes are no longer rated by at least one of these rating services or their successors.

Based on the trading price of the Common Stock during the first calendar quarter of 2008, and as a result of the Company's call for redemption of all the outstanding Notes, as described in Section 2.5 below, the Notes are convertible. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of Common Stock per \$1,000 principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted and the Company's conversion obligation with respect to such New Notes, and by delivering shares of Common Stock to the extent that such conversion obligation exceeds the aggregate principal amount of New Notes being converted. The Company's conversion obligation with respect to the New Notes will equal the product of:

- (x) the aggregate principal amount of New Notes to be converted by a holder divided by 1,000 multiplied by (y) the conversion rate in effect on the later of (i) the date on which the Ten-Day Average Price can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture (including the delivery of a conversion notice to the DTC); and
- the Ten-Day Average Price.

With respect to the New Notes, the number of shares of Common Stock to be delivered, if any, will be equal to the Excess Value divided by the Ten-Day

Average Price. With respect to the Notes, the Company will deliver cash in lieu of any fractional shares.

With respect to the Old Notes, if a holder submits all or a portion of its Notes for conversion and complies with the requirements of the Indenture, the Company will settle its conversion obligation through the Trustee on or prior to the fifth Business Day following the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, if a holder submits all or a portion of its Notes for conversion and complies with the requirements of the Indenture, the Company will settle its conversion obligation through the Trustee on or prior to the fifth Business Day following the later of (i) the date on which the Ten-Day Average Price can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture.

A holder wishing to exercise its conversion right must:

- complete the irrevocable conversion notice, which is available from the Conversion Agent, and deliver such notice to the Conversion Agent;
- surrender the Notes to the Conversion Agent;
- furnish appropriate endorsements and transfer documents, if required by the Conversion Agent or the Company; and
- pay any transfer or similar tax, if required.

If a holder has already delivered a Purchase Notice with respect to a Note, the holder may not surrender that Note for conversion until the holder has validly withdrawn the Purchase Notice before the expiration of the Offer in accordance with the Indenture and as described in Section 4 below.

HOLDERS THAT SUBMIT NOTES FOR CONVERSION THROUGH DTC NEED NOT SUBMIT A CONVERSION NOTICE TO THE CONVERSION AGENT IF SUCH HOLDERS COMPLY WITH DTC'S CONVERSION PROCEDURES.

2.4. Market for the Notes and the Company's Common Stock.

There is no established reporting system or trading market for trading in the Notes. To the extent that the Notes are traded, prices of the Notes may fluctuate widely depending on trading volume, the balance between buy and sell orders, prevailing interest rates, the Company's operating results and the market for similar securities. The Notes are held through DTC, and Cede & Co., as nominee of DTC, is the sole record holder of the Notes.

In certain circumstances described in Section 2.3 above, each Note is convertible, at the option of the holder, at a conversion rate of 89.4381 shares of Common Stock per \$1,000 principal amount, which is equivalent to a conversion price of \$11.18 per share of Common Stock. This conversion rate is subject to adjustment in certain events. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of Common Stock per \$1,000 principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted and the Company's conversion obligation with respect to such New Notes, and by delivering shares of Common Stock to the extent that such conversion obligation exceeds the aggregate principal amount of New Notes being converted. The Common Stock is listed on the New York Stock Exchange ("NYSE") under the symbol "CNP." The following table sets forth the high and low closing prices of the Common Stock on the NYSE composite tape during the period indicated, as reported by Bloomberg, since January 1, 2006.

	Price	
	High	Low
2006		
First Quarter	\$13.28	\$11.92
Second Quarter	12.50	11.73
Third Quarter	14.55	12.55
Fourth Quarter	16.80	14.22
2007		
First Quarter	18.37	16.51
Second Quarter	20.02	16.90
Third Quarter	17.88	15.15
Fourth Quarter	18.51	15.97
2008		
First Quarter	16.98	13.84
Second Quarter (through April 15, 2008)	15.26	14.66

On April 15, 2008, the last reported sales price of the Common Stock on the NYSE was \$15.26 per share. As of March 31, 2008, there were 328,265,076 shares of Common Stock outstanding. We urge you to obtain current market information for the Notes, to the extent available, and the Common Stock before making any decision to surrender your Notes pursuant to the Offer.

2.5. Redemption.

On April 16, 2008, the Company announced that it had called for redemption all of the outstanding Notes on May 30, 2008 (the "Redemption Date"). The redemption price will be \$1,000 in cash plus accrued and unpaid interest, including contingent interest, if any, to the Redemption Date. The amount of regular interest that will be payable with respect to the Notes on the Redemption Date is \$1.56 per \$1,000 principal amount of Notes. Pursuant to the Indenture and the Notes, the amount of contingent interest that will be payable with respect to the Notes on the Redemption Date, if any, will be determined by reference to the average trading price of the Notes for the five business days ending on May 13, 2008.

As described in Section 2.3 above, each Note is currently convertible at any time at the option of the holder. On the Redemption Date, the Notes will be redeemed unless (i) the holder of such Notes surrenders its Notes for purchase in accordance with this Company Notice and such Notes are not withdrawn or (ii) such Notes are converted prior to 5:00 p.m., New York City time, on the Redemption Date.

Holders of Notes at 5:00 p.m., New York City time, on May 1, 2008, the regular record date for the May 15, 2008 interest payment on the Notes, will receive interest in the amount of \$18.75 per \$1,000 principal amount of Notes payable on May 15, 2008. Notes surrendered for conversion by holders during the period from 5:00 p.m., New York City time, on May 1, 2008 to 9:00 a.m., New York City time, on May 15, 2008 must be accompanied by a payment of \$18.75 per \$1,000 principal amount of Notes surrendered for conversion, which amount equals the regular interest payment that the holder is to receive on the Notes. Holders that submit Notes for conversion after 9:00 a.m., New York City time, on May 15, 2008, need not submit any interest payment in connection with the conversion.

Holders of the Notes will separately receive a Notice of Redemption that will provide more detailed information about the call for redemption.

2.6. Fundamental Change.

If a Fundamental Change (as defined in the Indenture) occurs at any time prior to May 15, 2008, holders may require the Company to purchase their Notes for cash at a purchase price equal to the principal amount plus accrued and unpaid interest to the purchase date.

2.7. Ranking.

The Notes are unsecured and unsubordinated obligations of the Company. The Notes rank equal in right of payment with all of the Company's existing and future unsecured and unsubordinated indebtedness. The Notes are effectively subordinated to all existing and future indebtedness and other liabilities of the Company's subsidiaries.

3. Procedures to be Followed by Holders Electing to Surrender Notes for Purchase.

Holders will not be entitled to receive the Purchase Price for their Notes unless they validly surrender and do not withdraw their Notes before the expiration of the Offer. Only registered holders are authorized to surrender their Notes for purchase. Holders may surrender some or all of their Notes; however, any Notes surrendered must equal \$1,000 principal amount or an integral multiple thereof. If holders do not validly surrender their Notes before the expiration of the Offer, their Notes will remain outstanding subject to the terms of the Notes.

3.1. Method of Delivery.

The method of delivery of Notes, the related Purchase Notice and all other required documents, including delivery through DTC and acceptance through PTS, is at the election and risk of the person surrendering such Notes and delivering such Purchase Notice and, except as expressly otherwise provided in the Purchase Notice, delivery will be deemed made only when actually received by the Paying Agent. The date of any postmark or other indication of when a Note or the Purchase Notice was sent will not be taken into account in determining whether such materials were timely received. If delivery is by mail, it is suggested that holders use properly insured, registered mail with return receipt requested, and that holders mail the required documents sufficiently in advance of Wednesday, May 14, 2008 to permit delivery to the Paying Agent before the expiration of the Offer.

3.2. Purchase Notice.

The Indenture requires that the Purchase Notice contain:

- if certificated Notes have been issued, the certificate numbers of the Notes;
- the portion of the principal amount of Notes to be purchased, in integral multiples of \$1,000; and
- that the Notes are to be purchased by the Company pursuant to the applicable provisions of the Notes and the Indenture.

A form of Purchase Notice is enclosed.

3.3. Delivery of Notes.

Notes in Certificated Form . To receive the Purchase Price, holders of Notes in certificated form must deliver to the Paying Agent the Notes to be surrendered for purchase and the accompanying Purchase Notice, or a copy thereof, before the expiration of the Offer.

Notes Held Through a Custodian . A holder whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee must contact such nominee if such holder desires to surrender its Notes and instruct such nominee to surrender the Notes for purchase on the holder's behalf.

Notes in Global Form . A holder who is a DTC participant may elect to surrender to the Company its beneficial interest in its Notes by:

- delivering to the Paying Agent's account at DTC through DTC's book-entry system its beneficial interest in the Notes before the expiration of the Offer; and

- electronically transmitting its acceptance through DTC's PTS, subject to the terms and procedures of that system.

In surrendering through PTS, the electronic instructions sent to DTC by the holder, and transmitted by DTC to the Paying Agent, will acknowledge, on behalf of DTC and the holder, receipt by the holder of and agreement to be bound by the Purchase Notice.

Notes and the Purchase Notice must be delivered to the Paying Agent to collect payment. Delivery of documents to DTC or the Company does not constitute delivery to the Paying Agent.

HOLDERS THAT SURRENDER THROUGH DTC NEED NOT SUBMIT A PHYSICAL PURCHASE NOTICE TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH DTC'S TRANSMITTAL PROCEDURES.

4. Right of Withdrawal.

Notes surrendered for purchase may be withdrawn at any time before the expiration of the Offer. In order to withdraw previously surrendered Notes, holders must either comply with DTC's withdrawal procedures or deliver to the Paying Agent an executed written notice of withdrawal substantially in the form attached prior to 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. The notice of withdrawal must state:

- the principal amount of the withdrawn Notes;
- if certificated Notes have been issued, the certificate numbers of the withdrawn Notes; and
- the principal amount, if any, which remains subject to the original Purchase Notice.

The signature on the notice of withdrawal must be guaranteed by an eligible guarantor institution (as defined in Rule 17Ad-15(a)(2) under the Securities Exchange Act of 1934, as amended) (an "Eligible Guarantor Institution"), unless such Notes have been surrendered for purchase for the account of an Eligible Guarantor Institution. Any properly withdrawn Notes will be deemed not validly surrendered for purposes of the Offer. Notes withdrawn from the Offer may be resurrendered by following the surrender procedures described above.

HOLDERS THAT WITHDRAW THROUGH DTC NEED NOT SUBMIT A PHYSICAL NOTICE OF WITHDRAWAL TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH DTC'S WITHDRAWAL PROCEDURES.

5. Payment for Surrendered Notes.

The Company will forward to the Paying Agent, before 10:00 a.m., New York City time, on Thursday, May 15, 2008, the appropriate amount of cash required to pay the total Purchase Price for the Notes validly surrendered for purchase and not withdrawn, and the Paying Agent will promptly distribute the cash to the holders. Unless the Company defaults in making payment of the Purchase Price, interest on purchased Notes will cease to accrue on and after the Purchase Date. Each holder of a beneficial interest in the Notes that has properly delivered such beneficial interest for purchase by the Company through DTC and not validly withdrawn such delivery before the expiration of the Offer will receive the Purchase Price promptly after such distribution.

The total amount of funds required by the Company to purchase all of the Notes outstanding as of April 15, 2008 is approximately \$398.2 million (assuming all of the Notes are validly surrendered for purchase and accepted for payment). In the event any Notes are surrendered and accepted for payment, the Company intends to borrow under its \$1.2 billion senior unsecured revolving credit facility.

Citibank, N.A. acts as syndication agent, Barclays Bank PLC, Bank of America, National Association and Credit Suisse, Cayman Islands Branch act as co-documentation agents and JPMorgan Chase Bank, N.A. acts as administrative agent with respect to the Company's revolving credit facility. The facility, which matures on June 29, 2012, has a first drawn cost of London Interbank Offered Rate (LIBOR) plus 55 basis points based on the Company's current credit ratings. As of April

15, 2008, the annual interest rate on borrowings under the facility is 3.3%. The facility contains covenants, including a debt (excluding transition bonds) to earnings before interest, taxes, depreciation and amortization covenant. Under the credit facility, an additional utilization fee of 5 basis points applies to borrowings any time more than 50% of the facility is utilized, and the spread to LIBOR fluctuates based on the Company's credit rating. Borrowings under the facility are subject to customary terms and conditions. However, there is no requirement that the Company make representations prior to borrowings as to the absence of material adverse changes or litigation that could be expected to have a material adverse effect. Borrowings under the credit facility are subject to acceleration upon the occurrence of events of default that the Company considers customary.

6. Notes Acquired.

Any Notes that are purchased by the Company pursuant to the Offer will be cancelled by the Trustee, pursuant to the terms of the Indenture.

7. Plans or Proposals of the Company.

Except as described in this document, there presently are no plans or proposals that relate to or would result in:

- (1) any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries;
- (2) any repurchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries;
- (3) any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company;

(4) any change in the present board of directors or management of the Company, including, but not limited to, any plans or proposals to change the number or the term of directors (see discussion in (10) below regarding the classified Board structure) or to fill any existing vacancies on the board or to change any material term of the employment contract of any executive officer; however, routinely throughout the year, the Governance Committee of the Company's board of directors considers nominating individuals for election to the Company's board of directors, whether at the Company's annual meeting of shareholders, to fill vacancies that may occur or to serve as additions to the Company's board of directors;

(5) any other material change in the Company's corporate structure or business;

(6) any class of equity security of the Company to be delisted from a national securities exchange or cease to be authorized to be quoted in an automated quotation system operated by a national securities association;

(7) any class of equity security of the Company becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act;

(8) the suspension of the Company's obligation to file reports under Section 15(d) of the Exchange Act;

(9) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; or

(10) any changes in the Company's articles of incorporation, bylaws or other governing instruments or other actions that could impede the acquisition of control of the Company; however, the Company's Board of Directors has approved and submitted to its shareholders an amendment to the Company's Amended and Restated Articles of Incorporation that provides for the phase out of the classified structure of its Board of Directors so that, once the amendment is fully effective, all directors will be elected each year. If the amendment is adopted by the Company's shareholders, the Board of Directors will make conforming amendments to the Company's bylaws.

8. Interests of Directors, Executive Officers and Affiliates of the Company in the Notes.

- None of the Company or its subsidiaries or, to the knowledge of the Company after reasonable inquiry, its executive officers or directors has any beneficial interest in the Notes;
- the Company will not purchase any Notes from such persons; and
- during the 60 days preceding the Purchase Date, neither the Company nor any of its executive officers, directors or affiliates have engaged in any transactions in the Notes.

A list of the directors and executive officers of the Company is attached to this Company Notice as Annex A.

Neither the Company or its subsidiaries nor, to its knowledge, any of its affiliates, directors or executive officers is a party to any contract, arrangement, understanding or agreement with any other person relating, directly or indirectly, to the Offer or with respect to any of the securities of the Company including, but not limited to, any contract, arrangement, understanding or agreement concerning the transfer or the voting of the securities, joint ventures, loan or option arrangement, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations.

Certain directors and executive officers of the Company and its affiliates are parties to ordinary course stock option plans and arrangements involving the Common Stock, as disclosed by the Company before the date of this Company Notice.

9. Purchases of Notes by the Company and its Affiliates.

On April 16, 2008, the Company announced that it had called for redemption all of the outstanding Notes on May 30, 2008. The redemption price will be \$1,000 in cash plus accrued and unpaid interest, including contingent interest, if any, to the Redemption Date. See Section 2.5 above for more information.

10. Material United States Tax Consequences.

The following discussion is a summary of the material U.S. federal income tax considerations relating to the surrender of the Notes for purchase pursuant to the Offer. This discussion does not purport to be a complete analysis of all potential tax effects of the Offer. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change or differing interpretations at any time, possibly with retroactive effect. Moreover, this summary applies only to holders who hold Notes as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”), and does not purport to deal with persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, tax exempt investors, dealers in securities and currencies, U.S. expatriates or former long-term residents, persons holding Notes as a position in a “straddle,” “hedge,” “conversion” or other integrated transaction for tax purposes, persons who own, directly or indirectly, 10% or more of our voting power, U.S. Holders (as defined below) whose functional currency is not the U.S. dollar, and partnerships. The tax treatment of a partnership that holds Notes will generally depend on the status of the partners and the activities of the partnership. Holders that are partnerships should consult their own tax advisors about the U.S. federal income tax consequences of surrendering Notes pursuant to the Offer. Further, this discussion does not address the consequences under U.S. federal estate or gift tax laws or the laws of any U.S. state or locality or any foreign jurisdiction.

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes: a citizen or resident of the United States; a corporation (or other entity that has elected to be treated as a corporation) created or organized in or under the laws of the United States or any political subdivision thereof; an estate the income of which is subject to U.S. federal income tax regardless of its source; a trust if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions; and certain electing trusts that were in existence and treated as U.S. trusts on August 20, 1996. As used herein, the term “non-U.S. Holder” means a beneficial owner of Notes, other than a partnership, that is not a U.S. Holder as defined above.

Classification of the Notes . Although the proper treatment is not entirely free from doubt, the Company has treated the Notes as indebtedness for United States federal income tax purposes and has taken the position that the Notes are subject

to the special regulations governing contingent payment debt instruments (the “CPDI regulations”). Pursuant to the terms of the Indenture, the Company and each holder of the Notes have agreed, for United States federal income tax purposes, to treat the Notes as debt instruments that are subject to the CPDI regulations, and the remainder of this discussion assumes that the Notes have been so treated. In addition, under the Indenture, each holder was deemed to have accrued interest with respect to the Notes as original issue discount for United States federal income tax purposes according to the “noncontingent bond method,” set forth in section 1.1275-4(b) of the CPDI regulations, using a comparable yield compounded semiannually and a projected payment schedule determined by us.

Sale of Notes Pursuant to the Offer. A U.S. Holder who receives cash in exchange for Notes pursuant to the Offer will recognize taxable gain or loss equal to the difference between (a) the amount of cash received and (b) the U.S. Holder’s adjusted tax basis in the Notes surrendered. A U.S. holder’s adjusted tax basis in a Note will generally be equal to the U.S. holder’s original purchase price for the Note, increased by any interest income previously accrued by the U.S. holder (determined without regard to any adjustments to interest accruals required under section 1.1275-4(b) of the CPDI regulations, other than adjustments to reflect a U.S. Holder’s purchase of the Notes at a discount or premium, if any, to the adjusted issue price), and decreased by the amount of any projected payments projected to have been made through such date in respect of the Notes to the U.S. holder (without regard to the actual amount paid). Gain recognized upon an exchange of Notes for cash pursuant to the Offer will generally be treated as ordinary interest income; any loss will be ordinary loss to the extent of interest previously included in income, and thereafter, capital loss (which will be long-term if the Note is held for more than one year). The deductibility of capital losses is subject to limitations. Payments for accrued interest not previously included in income will be treated as ordinary interest income.

A non-U.S. Holder who receives cash in exchange for Notes pursuant to the Offer generally will not be subject to U.S. federal income tax on the cash received, provided that:

- the gain is not effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States or, in the case of certain treaty residents, is not attributable to a permanent establishment or a fixed base in the United States,
- the non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Common Stock,
- the non-U.S. Holder is not a controlled foreign corporation that is related to the Company within the meaning of the Code, and
- the U.S. payor does not have actual knowledge or reason to know that the holder is a “United States person” (as defined in section 7701(a)(30) of the Code) and either (1) the beneficial owner of the Notes certifies to the applicable payor or its agent, under penalties of perjury, that it is not a United States person and provides its name and address on Internal Revenue Service Form W-8BEN (or a suitable substitute form), or (2) a securities clearing organization, bank or other financial institution, that holds customers’ securities in the ordinary course of its trade or business (a “financial institution”) and holds the Notes, certifies under penalties of perjury that a Form W-8BEN (or a suitable substitute form) has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy of the form or the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a person other than a United States person in accordance with U.S. Treasury regulations.

Backup Withholding. Under the backup withholding provisions of the Code, a U.S. Holder who surrenders Notes for purchase will generally be subject to backup withholding at the rate of 28% of any gross payment if such holder fails to provide a certified Taxpayer Identification Number (Employer Identification Number or Social Security Number). A U.S. Holder who provides a certified Taxpayer Identification Number may nevertheless be subject to backup withholding on the portion of the payment representing accrued interest if the Company has been notified by the Internal Revenue Service that such U.S. Holder is currently subject to backup withholding as a result of a failure to report all interest or dividends or if such U.S. Holder fails to certify to the Company that such U.S. Holder has not been so notified. U.S. Holders electing to surrender Notes should complete a Substitute Form W-9 and attach it to the Notes being surrendered. If you are a U.S. Holder exempt

from backup withholding under the Code, please provide your Taxpayer Identification Number and so indicate on the Substitute Form W-9.

If a non-U.S. Holder holds Notes through the non-U.S. office of a non-U.S. related broker or financial institution, backup withholding and information reporting generally will not be required. Information reporting, and possibly backup withholding, may apply if the Notes are held by a non-U.S. Holder through a U.S. broker or financial institution or the U.S. office of a non-U.S. broker or financial institution and the non-U.S. Holder fails to provide appropriate information (on Internal Revenue Service Form W-8BEN or other applicable form). Non-U.S. Holders should consult their tax advisors with respect to the application of U.S. information reporting and backup withholding rules to the disposition of Notes pursuant to the Offer.

U.S. federal income tax considerations which are in addition to or different from those just described may apply to holders in special circumstances. The Company recommends that holders consult with their tax and financial advisors with respect to the tax consequences of surrendering Notes for purchase, including the applicability and effect of state, local and non-U.S. tax laws, before surrendering their Notes for purchase.

11. Additional Information.

The Company is subject to the reporting and other informational requirements of the Exchange Act and, in accordance therewith, files annual, quarterly and special reports, proxy statements and other information with the SEC. You can read and copy any materials that the Company files with the SEC at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. You can obtain information about the Company at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The Company has filed with the SEC a Tender Offer Statement on Schedule TO under Section 13(e)(4) of the Exchange Act and Rule 13e-4 of the SEC, furnishing certain information with respect to the Offer. The Tender Offer Statement on Schedule TO, together with any exhibits and any amendments thereto, may be examined and copies may be obtained at the same places and in the same manner as described above.

The documents listed below (as such documents may be amended from time to time) contain important information about the Company and its financial condition:

- The Company's Annual Report on Form 10-K for the year ended December 31, 2007;
- All other reports filed by the Company with the SEC under Sections 13, 14 and 15(d) of the Exchange Act since the end of the year covered by the Form 10-K mentioned above;
- The description of the Old Notes and the Indenture set forth under the caption "Description of the Notes" in the Company's prospectus dated December 4, 2003;
- The description of the New Notes and the Indenture set forth under the caption "Description of the New Notes" in the Company's prospectus dated July 19, 2005; and
- The description of the Common Stock contained in the Company's Current Report on Form 8-K filed September 6, 2002, as thereafter amended from time to time for the purpose of updating, changing or modifying such description.

In the event of conflicting information in these documents, the information in the latest filed documents should be considered correct.

12. No Solicitation.

There are no persons directly or indirectly employed, retained or to be compensated to make solicitations or recommendations in connection with the Offer. The Bank of New York Trust Company, National Association, however, is the trustee under the Indenture and will be communicating with and providing notices to holders of the Notes as required by the Indenture.

13. Definitions.

All capitalized terms used but not specifically defined herein shall have the meanings given to those terms in the Indenture and the Notes.

14. Conflicts.

In the event of any conflict between this Company Notice and the accompanying Purchase Notice, on the one hand, and the terms of the Indenture and the Notes or any applicable laws, on the other hand, the terms of the Indenture or the Notes or applicable laws, as the case may be, will control.

None of the Company or its board of directors or employees are making any recommendation to any holder as to whether to surrender or refrain from surrendering Notes for purchase pursuant to this Company Notice. Each holder must make his or her own decision whether to surrender his or her Notes for purchase and, if so, the principal amount of Notes to surrender based on their own assessment of current market value and other relevant factors.

CENTERPOINT ENERGY, INC.

April 17, 2008

ANNEX A
BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The following table presents the name and title of each of the Company's directors and executive officers as of April 17, 2008. The address of each such person is c/o CenterPoint Energy, Inc., 1111 Louisiana, Houston, Texas 77002 (telephone number: (713) 207-1111).

<u>Name</u>	<u>Title</u>
Milton Carroll	Chairman of the Board
Donald R. Campbell	Director
Derrill Cody	Director
O. Holcombe Crosswell	Director
Janiece M. Longoria	Director
Thomas F. Madison	Director
Robert T. O'Connell	Director
Michael E. Shannon	Director
Peter S. Wareing	Director
Sherman M. Wolff	Director
David M. McClanahan	President and Chief Executive Officer; Director
Scott E. Rozzell	Executive Vice President, General Counsel and Corporate Secretary
Gary L. Whitlock	Executive Vice President and Chief Financial Officer
Walter L. Fitzgerald	Senior Vice President and Chief Accounting Officer
Thomas R. Standish	Senior Vice President and Group President, Regulated Operations

PURCHASE NOTICE

To Surrender

3.75% CONVERTIBLE SENIOR NOTES DUE 2023

CUSIP Numbers: 15189TAA5 and 15189TAC1*

and

3.75% CONVERTIBLE SENIOR NOTES, SERIES B DUE 2023

CUSIP Number: 15189TAM9*

issued by

CENTERPOINT ENERGY, INC.

Pursuant to the Company Notice given by

CenterPoint Energy, Inc.

Dated April 17, 2008

SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE COMPANY NOTICE, THE RIGHT OF HOLDERS TO SURRENDER NOTES FOR PURCHASE IN THE OFFER EXPIRES AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 14, 2008. NOTES SURRENDERED FOR PURCHASE MAY BE WITHDRAWN BEFORE 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 14, 2008.

HOLDERS THAT SURRENDER THROUGH THE DEPOSITORY TRUST COMPANY ("DTC") NEED NOT SUBMIT A PHYSICAL PURCHASE NOTICE TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE TRANSMITTAL PROCEDURES OF DTC.

The Paying Agent is:

The Bank of New York Trust Company, National Association

Mail:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
P.O. Box 2320
Dallas, TX 75221-2320

Express Delivery:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Hand Delivery:

The Bank of New York
101 Barclay Street
4 New York Plaza — 1st Floor
New York, NY 10286

For Information:

Kathryn Maxwell
(713) 483-6817

DELIVERY OF THIS PURCHASE NOTICE TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE
WILL NOT CONSTITUTE VALID DELIVERY.

* These CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the holders of the Notes. Neither the Company nor the Trustee shall be responsible for the selection or use of these CUSIP Numbers, nor is any representation made as to their correctness on the Notes or as indicated in this notice.

THE INSTRUCTIONS CONTAINED HEREIN AND IN THE COMPANY NOTICE (AS DEFINED BELOW) SHOULD BE READ CAREFULLY BEFORE THIS PURCHASE NOTICE IS COMPLETED.

By execution hereof, the undersigned acknowledges receipt of the Company Notice dated April 17, 2008 (the “Company Notice”) of CenterPoint Energy, Inc., a Texas corporation (the “Company”), this Purchase Notice and instructions hereto (the “Purchase Notice”) and related offer materials, all of which relate to the offer to purchase by the Company, at the option of the holder thereof, all outstanding 3.75% Convertible Senior Notes due 2023 (the “Old Notes”) and 3.75% Convertible Senior Notes, Series B due 2023 (the “New Notes” and, together with the Old Notes, the “Notes”). The Company is offering to purchase the Old Notes pursuant to the terms and conditions of the Indenture dated as of May 19, 2003 (the “Original Indenture”) by and between the Company and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank), as Trustee (the “Trustee”), Supplemental Indenture No. 1 to the Original Indenture, dated as of May 19, 2003 (“Supplemental Indenture No. 1”), paragraph 8 of the Old Notes, the Company Notice and related offer materials. The Company is offering to purchase the New Notes pursuant to the terms and conditions of the Original Indenture, Supplemental Indenture No. 6 to the Original Indenture, dated as of August 23, 2005 (“Supplemental Indenture No. 6” and, together with the Original Indenture and Supplemental Indenture No. 1, the “Indenture”), paragraph 8 of the New Notes, the Company Notice and related offer materials.

HOLDERS WHO WISH TO BE ELIGIBLE TO RECEIVE PAYMENT FOR THE NOTES SURRENDERED FOR PURCHASE IN THE OFFER PURSUANT TO THE COMPANY NOTICE MUST VALIDLY SURRENDER (AND NOT WITHDRAW) THEIR NOTES TO THE PAYING AGENT BEFORE 12:00 PM MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 14, 2008.

This Purchase Notice is to be used by holders of the Notes if certificates representing Notes are to be physically delivered to the Paying Agent herewith by holders of Notes. This Purchase Notice is also being supplied for informational purposes only to persons who hold Notes in book-entry form through the facilities of DTC. Surrender of Notes held through DTC must be made pursuant to the procedures described under “Procedures to be Followed by Holders Electing to Surrender Notes for Purchase — Delivery of Notes — Notes in Global Form” in the Company Notice.

In order to properly complete this Purchase Notice, a holder of Notes must (1) complete and sign the Purchase Notice; (2) if appropriate, check and complete the boxes relating to Special Issuance or Payment Instructions and Special Delivery Instructions; and (3) complete Substitute Form W-9 or other applicable form. Each holder of Notes should carefully read the detailed Instructions contained herein before completing this Purchase Notice.

The undersigned has completed, executed and delivered this Purchase Notice to indicate the action the undersigned desires to take with respect to the surrendering of Notes for purchase pursuant to the Company Notice.

All capitalized terms used herein but not specifically defined herein shall have the respective meanings ascribed to them in the Company Notice, the Indenture and the Notes.

Your bank or broker can assist you in completing this form. The instructions included with this Purchase Notice must be followed. Questions and requests for assistance or for additional copies of the Company Notice or this Purchase Notice may be directed to the Paying Agent. See Instruction 9 below.

The Company is not aware of any jurisdiction where the delivery of the Company Notice would not be in compliance with applicable laws. If the Company becomes aware of any jurisdiction where the delivery of the Company Notice would not be in compliance with such laws, the Company will make a good faith effort to comply with any such laws or seek to have such laws declared inapplicable to the delivery of the Company Notice. If after such good faith effort, the Company cannot comply with any such applicable laws, the Company Notice will not be delivered to, nor will surrenders be accepted from or on behalf of, the holders of Notes residing in such jurisdiction.

**HOLDERS WHO WISH TO SURRENDER THEIR NOTES MUST
COMPLETE THIS PURCHASE NOTICE IN ITS ENTIRETY.
NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

Ladies and Gentlemen:

By executing and delivering a Purchase Notice, each signatory hereof (the “undersigned”) represents that the undersigned has received the Company Notice, which provides the notice to the holders required pursuant to the Indenture and the Notes.

This Purchase Notice relates to the offer to purchase by the Company, at the option of the holders, for \$1,000 in cash per Note plus accrued and unpaid interest to the Purchase Date (the “Purchase Price”), the Notes, subject to the terms and conditions of the Indenture, the Notes, the Company Notice and related offer materials, as amended and supplemented from time to time (the “Offer”). The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes.

Upon the terms and subject to the conditions set forth herein and in the Indenture and the Notes, and effective upon the acceptance for payment thereof, the undersigned hereby:

- irrevocably sells, assigns and transfers to the Company all right, title and interest in and to all the Notes surrendered hereby,
- waives any and all rights with respect to the Notes (including without limitation any existing or past defaults and their consequences in respect of the Indenture),
- releases and discharges the Company from any and all claims such holder may have now, or may have in the future arising out of, or related to, the Notes including without limitation any claims that such holder is entitled to receive additional principal or interest payments with respect to the Notes or to participate in any redemption or defeasance of the Notes and
- irrevocably constitutes and appoints the Paying Agent as the true and lawful agent and attorney-in-fact of such holder with respect to any such surrendered Notes, full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (a) deliver certificates representing such Notes, or transfer ownership of such Notes, on the account books maintained by DTC, together, in any such case, with all accompanying evidences of transfer and authenticity, to the Company, (b) present such Notes for transfer on the relevant security register and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes (except that the Paying Agent will have no rights to, or control over, funds from the Company, except as agent for the Company, for the Purchase Price of any surrendered Notes that are purchased by the Company), all in accordance with the terms set forth in the Company Notice.

The undersigned hereby represents and warrants that the undersigned:

- owns the Notes surrendered and is entitled to surrender such Notes, and
- has full power and authority to surrender, sell, assign and transfer the Notes surrendered hereby and that when such Notes are accepted for purchase and payment by the Company, the Company will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right.

The undersigned agrees to all of the terms of the Company Notice and this Purchase Notice. The undersigned will, upon request, execute and deliver any additional documents deemed by the Paying Agent or the Company to be necessary or desirable to complete the sale, assignment and transfer of the Notes surrendered hereby.

The undersigned understands that all Notes properly surrendered for purchase and not withdrawn before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008 will be purchased at the Purchase Price, in cash, subject to the terms and conditions of the Indenture, the Notes, the Company Notice and related offer materials, as amended and supplemented from time to time.

Payment for Notes purchased pursuant to the Company Notice will be made by deposit of the Purchase Price for such Notes with the Paying Agent, which will act as agent for surrendering holders for the purpose of receiving payments from the Company and transmitting such payments to the surrendering holders.

The undersigned understands that surrenders of Notes may be withdrawn by written notice of withdrawal received by the Paying Agent at any time before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008. See Instruction 1.

All authority conferred or agreed to be conferred by this Purchase Notice shall survive the death or incapacity of the undersigned and every obligation of the undersigned under this Purchase Notice shall be binding upon the undersigned's heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives.

The undersigned understands that valid surrender of Notes pursuant to any one of the procedures described under "Procedures to be Followed by Holders Electing to Surrender Notes for Purchase" in the Company Notice and in the instructions hereto will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Company Notice, including the undersigned's waiver of any existing defaults and their consequences in respect of the Notes and the Indenture (including, without limitation, a default in the payment of interest).

The undersigned understands that the delivery and surrender of the Notes is not effective and the risk of loss of the Notes does not pass to the Paying Agent, until receipt by the Paying Agent of this Purchase Notice properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in a form satisfactory to the Company. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any surrender of Notes pursuant to the procedures described in the Company Notice and the form and validity (including time of receipt of notices of withdrawal) of all documents will be determined by the Company, in its sole direction, which determination shall be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters.

Unless otherwise indicated herein under "Special Issuance or Payment Instructions," the undersigned hereby requests that any Notes representing principal amounts not surrendered be issued in the name(s) of the undersigned, and checks constituting payments for Notes purchased pursuant to the Company Notice be issued to the order of the undersigned. Similarly, unless otherwise indicated herein under "Special Delivery Instructions," the undersigned hereby requests that any Notes representing principal amounts not surrendered and checks constituting payments for Notes to be purchased pursuant to the Company Notice be delivered to the undersigned at the address(es) shown herein. In the event that the "Special Issuance or Payment Instructions" section or the "Special Delivery Instructions" section, or both, is completed, the undersigned hereby requests that any Notes representing principal amounts not surrendered be issued in the name(s) of, certificates for such Notes be delivered to, and checks constituting payments for Notes purchased pursuant to the Company Notice be issued in the name(s) of, and be delivered to, the person(s) at the address(es) so indicated, as applicable. The undersigned recognizes that the Company has no obligation pursuant to the "Special Issuance or Payment Instructions" section to transfer any Notes from the name of the registered holder(s) thereof if the Company does not accept for purchase any of the principal amount of such Notes so surrendered.

**PLEASE SIGN BELOW
(TO BE COMPLETED BY ALL SURRENDERING HOLDERS OF
NOTES REGARDLESS OF WHETHER NOTES
ARE BEING PHYSICALLY DELIVERED HEREWITH)**

This Purchase Notice must be signed by the registered holder(s) of Notes exactly as his or her (their) name(s) appear(s) on certificate(s) for Notes or by person(s) authorized to become registered holder(s) by

endorsements and documents transmitted with this Purchase Notice. If the signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her (their) full title below under "Capacity" and submit evidence satisfactory to the Company of such person's authority to so act. See Instruction 3 below.

If the signature appearing below is not of the registered holder(s) of the Notes, then the registered holder(s) must sign a valid power of attorney.

Dated: _____

Signature(s)

Capacity

Signature(s) must be guaranteed by a commercial bank or trust company or a member firm of a major stock exchange if Notes are to be delivered, other than to or in the name of the registered holder.

Signature Guarantee

Address:

Notes surrendered (check as applicable)

- 3.75% Convertible Senior Notes due 2023
- 3.75% Convertible Senior Notes, Series B due 2023

Certificate number(s) (need not be completed by holders surrendering the Notes by book-entry transfer.)

Principal Amount to be purchased (if less than all): \$
_____,000

Social Security or Other Taxpayer Number

**PLEASE COMPLETE SUBSTITUTE FORM W-9
SIGNATURE GUARANTEE (IF REQUIRED—SEE INSTRUCTION 3)
Certain Signatures Must be Guaranteed by an Eligible Institution**

(Name of Eligible Institution Guaranteeing Signatures)

(Address (including zip code) and Telephone Number (including area code) of Eligible Institution)

(Authorized Signature)

(Printed Name)

(Title)

Date: _____, 200_

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THIS PURCHASE NOTICE

1. PROCEDURES TO BE FOLLOWED BY HOLDERS ELECTING TO SURRENDER NOTES FOR PURCHASE; WITHDRAWAL OF SURRENDERS.

To surrender the Notes pursuant to the Company Notice, certificates representing such Notes, together with a properly completed and duly executed copy of this Purchase Notice, and any other documents required by this Purchase Notice must be received by the Paying Agent at the address set forth herein before 12:00 p.m. Midnight, New York City time, on Wednesday, May 14, 2008. Under the Indenture and the Notes, the Purchase Date with respect to the offer is Thursday, May 15, 2008 (the "Purchase Date"). The method of delivery of this Purchase Notice, certificates for Notes and all other required documents to the Paying Agent is at the election and risk of holders. If such delivery is to be made by mail, it is suggested that holders use properly insured registered mail, return receipt requested, and that the mailing be made sufficiently in advance of May 14, 2008 to permit delivery to the Paying Agent before such date. Except as otherwise provided below, the delivery will be deemed made when actually received or confirmed by the Paying Agent. **THIS PURCHASE NOTICE AND NOTES SHOULD BE SENT ONLY TO THE PAYING AGENT, AND NOT TO THE COMPANY.**

This Purchase Notice is also being supplied for informational purposes only to persons who hold Notes in book-entry form through the facilities of DTC. Surrender of Notes held through DTC must be made pursuant to the procedures described under "Procedures to be Followed by Holders Electing to Surrender Notes for Purchase — Delivery of Notes — Notes in Global Form" in the Company Notice.

Except as described herein for surrender of Notes held through DTC, unless the Notes being surrendered are deposited with the Paying Agent before 12:00 Midnight, New York City time, on Wednesday, May 14, 2008 (accompanied by the appropriate, properly completed and duly executed Purchase Notice and any required signature guarantees and other documents required by this Purchase Notice), the Company may, in its sole discretion, reject such surrender. Payment for Notes will be made only against deposit of surrendered Notes.

By executing this Purchase Notice, a surrendering holder waives any right to receive any notice of the acceptance for payment of surrendered Notes.

For a full description of the procedures for surrendering Notes, see "Procedures to be Followed by Holders Electing to Surrender Notes for Purchase" in the Company Notice.

Surrenders of Notes may be withdrawn at any time before 12:00 Midnight, New York City time, on May 14, 2008 pursuant to the procedures described in the Company Notice.

2. PARTIAL SURRENDERS.

Surrenders of Notes pursuant to the Company Notice will be accepted only in principal amounts equal to \$1,000 or integral multiples thereof. If less than the entire principal amount of any Notes evidenced by a submitted certificate is surrendered, the surrendering holder must fill in the principal amount surrendered in the appropriate place in the Purchase Notice. The entire principal amount represented by the certificates for all Notes delivered to the Paying Agent will be deemed to have been surrendered unless otherwise indicated. If the entire principal amount of all Notes is not surrendered, certificates for the principal amount of Notes not surrendered will be sent to the holder unless otherwise provided in the appropriate place in this Purchase Notice (see Instruction 4), promptly after the Notes are accepted for purchase.

3. SIGNATURES ON THIS PURCHASE NOTICE, BOND POWERS AND ENDORSEMENT: GUARANTEE OF SIGNATURES.

If this Purchase Notice is signed by the registered holder(s) of the Notes surrendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

IF THIS PURCHASE NOTICE IS EXECUTED BY A HOLDER OF NOTES WHO IS NOT THE REGISTERED HOLDER, THEN THE REGISTERED HOLDER MUST SIGN A VALID POWER OF ATTORNEY, WITH THE SIGNATURE OF SUCH REGISTERED HOLDER GUARANTEED BY AN ELIGIBLE INSTITUTION.

If any of the Notes surrendered hereby are owned of record by two or more joint owners, all such owners must sign this Purchase Notice. If any surrendered Notes are registered in different names on several certificates, it will be necessary to complete, sign and submit as many copies of this Purchase Notice and any necessary accompanying documents as there are different names in which certificates are held.

If this Purchase Notice is signed by the holder, and the certificates for any principal amount of Notes not surrendered for purchase are to be issued (or if any principal amount of Notes that is not surrendered for purchase is to be reissued or returned) to the holder, and checks constituting payments for Notes to be purchased pursuant to the Company Notice are to be issued to the order of the holder, then the holder need not endorse any certificates for surrendered Notes nor provide a separate bond power. In any other case (including if this Purchase Notice is not signed by the holder), the holder must either properly endorse the certificates for Notes surrendered or transmit a separate properly completed bond power with this Purchase Notice (in either case, executed exactly as the name(s) of the registered holder(s) appear(s) on such Notes), with the signature on the endorsement or bond power guaranteed by an eligible guarantor institution (as defined in Rule 17Ad-15(a)(2) under the Securities Exchange Act of 1934, as amended), (an "Eligible Institution"), unless such certificates or bond powers are executed by an Eligible Institution.

If this Purchase Notice or any certificates representing Notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to the Company of their authority so to act must be submitted with this Purchase Notice.

Endorsements on certificates for Notes and signatures on bond powers provided in accordance with this Instruction 3 by registered holders not executing this Purchase Notice must be guaranteed by an Eligible Institution.

No signature guarantee is required if: (1) this Purchase Notice is signed by the registered holder(s) of the Notes surrendered herewith and the payments for the Notes to be purchased are to be made, or any Notes for principal amounts not surrendered for purchase are to be issued, directly to such registered holder(s) and neither the "Special Issuance or Payment Instructions" section nor the "Special Delivery Instructions" section of this Purchase Notice has been completed; or (2) such Notes are surrendered for the account of an Eligible Institution. In all other cases, all signatures on letters of transmittal accompanying Notes must be guaranteed by an Eligible Institution.

4. SPECIAL ISSUANCE OR PAYMENT AND SPECIAL DELIVERY INSTRUCTIONS.

Surrendering holders should indicate in the applicable place the name and address to which certificates representing Notes for principal amounts not surrendered or not accepted for purchase or checks constituting payments for Notes purchased pursuant to the Company Notice are to be issued or sent, if different from the name and address of the holder signing this Purchase Notice. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated. If no instructions are given, Notes not surrendered or not accepted for purchase will be returned to the holder of the Notes surrendered.

5. BACKUP WITHHOLDING; TAX IDENTIFICATION NUMBER; PURPOSE OF FORM W-9.

The Paying Agent must withhold 28% of any payments made to the surrendering holder or other payee,

unless the payee establishes that the payment is not subject to backup withholding or that the payee is exempt from backup withholding. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service (the "IRS"), provided that the required information is properly furnished to the IRS.

To establish that payments made to a surrendering U.S. Holder (as defined below) are not subject to backup withholding, such U.S. Holder generally may deliver to the Paying Agent the enclosed Substitute Form W-9, Request for Taxpayer Identification Number and Certification, providing such U.S. Holder's correct taxpayer identification number ("TIN") and certifying that:

- the TIN provided is correct (or that such U.S. Holder is awaiting a TIN);
- (1) the U.S. Holder is exempt from backup withholding, (2) the U.S. Holder has not been notified by the IRS that the U.S. Holder is subject to backup withholding as a result of a failure to report all interest or dividends, or (3) the IRS has notified the U.S. Holder that such holder is no longer subject to backup withholding; and
- such U.S. Holder is a "United States person" (as defined in section 7701(a)(30) of the Internal Revenue Code of 1986, as amended).

The U.S. Holder is required to give the Paying Agent the TIN of the registered holder of the Notes. If the Notes are held in more than one name or are held not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report.

For the purposes of these instructions, a "U.S. Holder" is a beneficial owner of the Notes that is, for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States; (b) a corporation or partnership (or other business entity treated as a corporation or partnership) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (d) a trust if a court within the United States can exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of that trust or a trust that was in existence on August 20, 1996 and validly elected to continue to be treated as a domestic trust.

Certain holders (including, among others, corporations and certain foreign persons) are not subject to these backup withholding requirements. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for a list of exempt U.S. Holders. To avoid possible erroneous backup withholding, exempt U.S. Holders, while not required to file Substitute Form W-9, should complete and return the Substitute Form W-9 and check the "Exempt from backup withholding" box on the form. Foreign holders may prevent backup withholding by (1) submitting the appropriate properly completed IRS Form W-8 (available at the IRS website at www.irs.gov) to the Paying Agent and certifying under penalties of perjury to the holder's exempt status or (2) otherwise establishing an exemption.

If a surrendering holder does not provide the Paying Agent with the correct TIN, such holder may be subject to a \$50 penalty imposed by the IRS, and payments made with respect to the tendered Notes may be subject to backup withholding. If the surrendering holder makes a false statement with no reasonable basis that results in no backup withholding, such holder is subject to a \$500 penalty.

See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional information and instructions.

6. TRANSFER TAXES.

The Company will pay all transfer taxes, if any, payable on the purchase and transfer of Notes purchased

pursuant to the Company Notice, except in the case of deliveries of certificates for Notes for principal amounts not surrendered for payment that are to be registered or issued in the name of any person other than the holder of Notes surrendered hereby, in which case the amount of any transfer taxes (whether imposed on the registered holder or such other person) payable on account of the transfer to such person will be deducted from the Purchase Price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer stamps to be affixed to the certificates listed in this Purchase Notice.

7. IRREGULARITIES.

All questions as to the validity, form, eligibility (including the time of receipt) and acceptance for payment of any surrenders of Notes pursuant to the procedures described in the Company Notice and the form and validity (including the time of receipt of notices of withdrawal) of all documents will be determined by the Company, in its sole discretion, which determination shall be final and binding on all parties, subject to a court of law having jurisdiction regarding such matters. The Company reserves the absolute right to reject any or all surrenders determined by them not to be in proper form or the acceptance of or payment for which may be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Company Notice and any defect or irregularity in the surrender of any particular Notes. The Company's interpretations of the terms and conditions of the Company Notice (including without limitation the instructions in this Purchase Notice) shall be final and binding, subject to a court of law having jurisdiction regarding such matters. No alternative, conditional or contingent surrenders will be accepted. Unless waived, any irregularities in connection with surrenders must be cured within such time as the Company shall determine. None of the Company, the Paying Agent or any other person will be under any duty to give notification of any defects or irregularities in such surrenders or will incur any liability to holders for failure to give such notification. Surrenders of such Notes shall not be deemed to have been made until such irregularities have been cured or waived. Any Notes received by the Paying Agent that are not properly surrendered and as to which the irregularities have not been cured or waived will be returned by the Paying Agent to the surrendering holders, unless such holders have otherwise provided herein, as promptly as practical following the Purchase Date.

8. MUTILATED, LOST, STOLEN OR DESTROYED CERTIFICATES FOR NOTES.

Any holder of Notes whose certificates for Notes have been mutilated, lost, stolen or destroyed should contact the Paying Agent at the address indicated above for further instructions.

9. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.

Questions relating to the procedure for surrendering Notes and requests for assistance or additional copies of the Company Notice and this Purchase Notice may be directed to, and additional information about the Company Notice may be obtained from Kathryn Maxwell at The Bank of New York Trust Company, National Association, whose address appears on the cover of this Purchase Notice, at (713) 483-6817.

NOTICE OF WITHDRAWAL
OF SURRENDER OF
3.75% CONVERTIBLE SENIOR NOTES DUE 2023
CUSIP Numbers: 15189TAA5 and 15189TAC1*
3.75% CONVERTIBLE SENIOR NOTES, SERIES B DUE 2023
CUSIP Number: 15189TAM9*
ISSUED BY
CENTERPOINT ENERGY, INC.

Pursuant to the Company Notice given by
CenterPoint Energy, Inc.
Dated April 17, 2008

SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE COMPANY NOTICE, THE RIGHT OF HOLDERS TO SURRENDER NOTES FOR PURCHASE EXPIRES AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 14, 2008. NOTES SURRENDERED FOR PURCHASE MAY BE WITHDRAWN IF THE REGISTERED HOLDER SUBMITS AND THE PAYING AGENT RECEIVES THIS COMPLETED AND SIGNED NOTICE OF WITHDRAWAL NO LATER THAN 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, MAY 14, 2008.

HOLDERS THAT SURRENDER THROUGH THE DEPOSITORY TRUST COMPANY (“DTC”) NEED NOT SUBMIT A PHYSICAL NOTICE OF WITHDRAWAL TO THE PAYING AGENT IF SUCH HOLDERS COMPLY WITH THE TRANSMITTAL PROCEDURES OF DTC.

The Paying Agent is:
The Bank of New York Trust Company, National Association

Mail:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
P.O. Box 2320
Dallas, TX 75221-2320

Express Delivery:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Hand Delivery:

The Bank of New York
101 Barclay Street
4 New York Plaza — 1st Floor
New York, NY 10286

For Information:
Kathryn Maxwell
(713) 483-6817

Capitalized terms used herein but not defined herein shall have the respective meanings ascribed to such terms in the Company Notice dated April 17 2008 of CenterPoint Energy, Inc., a Texas corporation (the “Company”), and the accompanying Purchase Notice, relating to the offer to purchase by the Company, at the option of the holder thereof, the Company’s 3.75% Convertible Senior Notes due 2023 and 3.75% Convertible Senior Notes, Series B due 2023 (collectively, the “Notes”) for \$1,000 in cash per Note plus accrued and unpaid interest to the Purchase Date, subject to the terms and conditions of the Indenture, the Notes and related offer materials, as amended and supplemented from time to time (the “Offer”). The amount of interest that will be payable with respect to the Notes on the Purchase Date is \$18.75 per \$1,000 principal amount of the Notes.

This Notice of Withdrawal is to be completed by registered holders of Notes desiring to withdraw the surrender of such Notes in the Offer if (1) Notes have been previously surrendered to the Paying Agent, or (2) delivery of such Notes has been previously made by book-entry transfer to the Paying Agent’s account at DTC pursuant to the book-entry transfer procedures described under the caption “Procedures to Be Followed by Holders Electing to Surrender Notes for Purchase” in the Company Notice.

* These CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the holders of the Notes. Neither the Company nor the Trustee shall be responsible for the selection or use of these CUSIP Numbers, nor is any representation made as to their correctness on the Notes or as indicated in this notice.

Ladies and Gentlemen:

The undersigned hereby withdraws the undersigned's surrender for purchase to the Company of the Notes described below, which Notes were previously surrendered for purchase pursuant to the Company Notice.

The undersigned understands that the withdrawal of Notes previously surrendered in this Offer, effected by this Notice of Withdrawal, may not be rescinded and that such Notes will no longer be deemed to be validly surrendered for purchase for purposes of the undersigned's Purchase Notice. Such withdrawn Notes may be resurrendered for purchase only by following the procedures for surrendering set forth in the Company Notice and in the accompanying Purchase Notice.

All authority conferred or agreed to be conferred in this Notice of Withdrawal shall not be affected by and shall survive the death or incapacity of the undersigned, and any obligations of the undersigned under this Notice of Withdrawal shall be binding upon the heirs, personal and legal representatives, trustees in bankruptcy, successors and assigns of the undersigned.

DESCRIPTION OF NOTES BEING WITHDRAWN

<u>Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank)</u>	<u>CUSIP Number</u>	<u>Certificate Number(s)*</u>	<u>Aggregate Principal Amount Represented</u>	<u>Aggregate Principal Amount Being Withdrawn**</u>	<u>Aggregate Principal Amount Which Remains Subject to Purchase Notice</u>
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TOTAL PRINCIPAL AMOUNT BEING WITHDRAWN

* Need not be completed by holders who surrendered the Notes by book-entry transfer.

** Unless otherwise indicated in the column labeled "Aggregate Principal Amount Being Withdrawn" and subject to the terms and conditions of the Company Notice, a holder will be deemed to have withdrawn the entire aggregate principal amount represented by the Notes indicated in the column labeled "Aggregate Principal Amount Represented."

METHOD OF DELIVERY

- Check here if Notes were physically delivered to the Paying Agent.
- Check here if Notes were delivered by book-entry transfer made to the account maintained by the Paying Agent with DTC and complete the following:

Name of Surrendering Institution: _____
(Please Print)

Address: _____
(Please Print)

_____ **Zip Code**

Telephone: _____

Facsimile: _____

Contact Person: _____

Date Surrendered: _____

DTC Account Number: _____

Transaction Code Number: _____



**PLEASE SIGN BELOW
(TO BE COMPLETED BY ALL REGISTERED HOLDERS OF
NOTES BEING WITHDRAWN)**

This Notice of Withdrawal must be signed by the registered holder(s) of Notes exactly as his (their) name(s) appear(s) on certificate(s) for Notes or by person(s) authorized to become registered holder(s) by endorsements and documents transmitted with this Notice of Withdrawal. If the signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below under "Capacity" and submit evidence satisfactory to the Company of such person's authority to so act.

If the signature appearing below is not of the registered holder(s) of the Notes, then the registered holder(s) must sign a valid power of attorney.

(Signature(s) of Holder(s) or Authorized Signatory)

Date: _____, 2008

Name(s): _____

(Please Print)

Capacity: _____

Address: _____

(Including Zip Code)

Area Code and Telephone No.: () _____

SIGNATURE GUARANTEE (IF REQUIRED)

Certain Signatures Must be Guaranteed by an Eligible Institution

(Name of Eligible Institution Guaranteeing Signatures)

(Address (including zip code) and Telephone Number (including area code) of Eligible Institution)

(Authorized Signature)

(Printed Name)

(Title)

Date: _____, 2008.

SUBSTITUTE FORM Department of the Treasury Internal Revenue Service	W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION	Give form to the requester. Do not send to the IRS .
Name (as shown on your income tax return)		
Business name, if different from above		
Check appropriate box: <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____ <input type="checkbox"/> Exempt from backup withholding		
City, state, and ZIP code		
Part I	Taxpayer Identification Number (TIN)	
Enter your TIN on the appropriate line. The TIN provided must match the name given on the top line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see "What Number to Give the Requester" in the attached Guidelines For Certification of Taxpayer Identification Number on Substitute Form W-9. For other entities, it is your employer identification number (EIN). If you do not have a number, see "Obtaining a Number" in the attached Guidelines.		_____ Social Security Number _____ Employer Identification number
Note. <i>If the account is in more than one name, see "What Number to Give the Requester" in the attached Guidelines for instructions on whose number to enter.</i>		
Part II	Certification	
Under penalties of perjury, I certify that:		
1. The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3. I am a U.S. person (including a U.S. resident alien).		
<i>Certification Instructions . You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.</i>		
Sign Here	Signature of U.S. Person ▶	Date ▶

FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE TENDER OFFER.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

What Number to Give the Requester. — A Social Security number (SSN) has nine digits separated by two hyphens: i.e. 000-00-0000. An employer identification number (EIN) has nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

For this type of account:	Give the SSN of:
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under State law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³

For this type of account:	Give the EIN of:
6. Disregarded entity not owned by an individual.	The owner
7. A valid trust, estate, or pension trust	The legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
12. A broker or registered nominee	The broker or nominee

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Obtaining a Number

If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov/online/ss-5.pdf. You may also get this form by calling 1-800-772-1213. Use Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses/ and clicking on Employer ID Numbers under Related Topics. You can get Form SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are a resident alien and you do not have and are not eligible to get a social security number, your taxpayer identification number is your Internal Revenue Service individual taxpayer identification number. If you do not have an individual taxpayer identification number, use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for one. You can get Form W-7 from the IRS Internal Revenue Service by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you do not have a TIN, write “Applied For” in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing “Applied For” means that you have already applied for a TIN or that you intend to apply for one soon.

Payees Exempt from Backup Withholding

Payees specifically exempted from backup withholding on all dividend and interest payments and on broker transactions include the following:

- An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
- The United States or any of its agencies or instrumentalities,
- A State, the District of Columbia, a possession of the United States, or any of their subdivisions or instrumentalities,
- A foreign government or any of its political subdivisions, agencies or instrumentalities, and
- An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

- A corporation,
- A foreign central bank of issue,
- A dealer in securities or commodities required to be registered in the United States, the District of Columbia, or a possession of the United States,
- A real estate investment trust,
- An entity registered at all times during the tax year under the Investment Company Act of 1940,
- A common trust fund operated by a bank under section 584(a),
- A financial institution,
- A middleman known in the investment community as a nominee or custodian, and
- A trust exempt from tax under section 664 or described in section 4947.

If you are exempt, enter your name and check the appropriate box for your status, then check the “Exempt from backup withholding” box in the line following the business name, sign and date the form.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% (or other rate specified by the Internal Revenue Code) of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

Penalties

- *Failure to Furnish TIN* . If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
- *Civil Penalty for False Information With Respect to Withholding* . If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.
- *Criminal Penalty for Falsifying Information* . Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.
- *Misuse of TINs* . If the requester discloses or uses taxpayer identification numbers in violation of Federal law, the payer may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

**CenterPoint Energy Announces Redemption of its 3.75 Percent
Convertible Senior Notes Due 2023**

HOUSTON — April 16, 2008 — CenterPoint Energy, Inc. (NYSE: CNP) today announced the planned redemption of all of its outstanding 3.75 percent Convertible Senior Notes due 2023 (Old Notes) and 3.75 percent Convertible Senior Notes, Series B due 2023 (New Notes) on May 30, 2008 (Redemption Date). The redemption price will be \$1,000 in cash plus accrued and unpaid interest, including contingent interest, if any, to the Redemption Date. The amount of regular interest that will be payable with respect to the notes on the Redemption Date is \$1.56 per \$1,000 principal amount. Pursuant to the indenture governing the notes, the amount of contingent interest that will be payable with respect to the notes on the Redemption Date, if any, will be determined by reference to the average trading price of the notes for the five business days ending on May 13, 2008.

The Old Notes are currently convertible into shares of CenterPoint Energy's common stock. The New Notes are currently convertible into cash or, at CenterPoint Energy's option, a combination of cash and shares of CenterPoint Energy's common stock. The current conversion rate of the notes is 89.4381 shares of CenterPoint Energy's common stock per \$1,000 principal amount of the notes, so long as specified conditions are met and subject to adjustments under certain circumstances. The notes may be converted at any time before 5 p.m. EDT on the Redemption Date. With respect to the Old Notes, CenterPoint Energy will satisfy its conversion obligation by delivering shares of CenterPoint Energy's common stock. With respect to the New Notes, CenterPoint Energy will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted and CenterPoint Energy's conversion obligation with respect to such New Notes, and by delivering shares of CenterPoint Energy's common stock to the extent that the conversion obligation exceeds the aggregate principal amount of New Notes being converted. On the Redemption Date, the notes will be redeemed unless they are converted prior to 5 p.m. EDT on the Redemption Date.

Holders of notes at 5 p.m. EDT on May 1, 2008, the regular record date for the May 15, 2008 interest payment on the notes, will receive interest in the amount of \$18.75 per \$1,000 principal amount of notes payable on May 15, 2008. Notes surrendered for conversion by holders during the period from 5 p.m. EDT on May 1, 2008 to 9 a.m. EDT on May 15, 2008, must be accompanied by a payment of \$18.75 per \$1,000 principal amount of notes surrendered for conversion, which amount equals the regular interest payment that the holder is to receive on the notes. Holders that submit notes for conversion after 9 a.m. EDT on May 15, 2008, need not submit any interest payment in connection with the conversion.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, interstate pipelines and field services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total over \$17 billion. With about 8,600 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit CenterPoint Energy's website at www.CenterPointEnergy.com.

**CenterPoint Energy Announces Purchase Option of
3.75 Percent Convertible Senior Notes Due 2023**

HOUSTON — April 17, 2008 — CenterPoint Energy, Inc. (NYSE: CNP) today announced that holders of its 3.75 percent Convertible Senior Notes due 2023 (Old Notes) and 3.75 percent Convertible Senior Notes, Series B due 2023 (New Notes) have the option to require CenterPoint Energy to purchase their notes on May 15, 2008 (Purchase Date) at a purchase price of \$1,000 in cash plus accrued and unpaid interest to the Purchase Date. The amount of interest that will be payable with respect to the notes on the Purchase Date is \$18.75 per \$1,000 principal amount. If all outstanding notes are surrendered for purchase, the aggregate cash purchase price will be approximately \$398.2 million.

Holders may exercise their option to require CenterPoint Energy to purchase their notes by delivering a purchase notice to The Bank of New York, the paying agent, before the expiration of the purchase option at 12:00 Midnight, EDT on Wednesday, May 14, 2008.

The Old Notes are currently convertible into shares of CenterPoint Energy's common stock. The New Notes are currently convertible into cash or, at CenterPoint Energy's option, a combination of cash and shares of CenterPoint Energy's common stock. The current conversion rate of the notes is 89.4381 shares of CenterPoint Energy's common stock per \$1,000 principal amount of the notes, so long as specified conditions are met and subject to adjustments under certain circumstances. With respect to the Old Notes, CenterPoint Energy will satisfy its conversion obligation by delivering shares of CenterPoint Energy's common stock. With respect to the New Notes, CenterPoint Energy will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted and CenterPoint Energy's conversion obligation with respect to such New Notes, and by delivering shares of CenterPoint Energy's common stock to the extent that the conversion obligation exceeds the aggregate principal amount of New Notes being converted.

This press release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell any notes. CenterPoint Energy plans to file a Tender Offer Statement on Schedule TO with the Securities and Exchange Commission later today. CenterPoint Energy will make available to note holders, through the Depository Trust Company, documents specifying the terms, conditions and procedures for surrendering and withdrawing notes for purchase. Note holders are encouraged to read these documents carefully before deciding whether to exercise their option to require CenterPoint Energy to purchase their notes as these documents contain important information regarding the details of CenterPoint Energy's obligation to purchase the notes. Holders of the notes and other interested parties may obtain a free copy of these documents at the Securities and Exchange Commission's website, www.sec.gov, at the company's website, www.CenterPointEnergy.com, or from CenterPoint Energy, Inc. at 1111 Louisiana, Houston, Texas 77002, Attn: Investor Relations.

This press release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this press release regarding future events, including the timing of the filing of the Schedule TO with the Securities and Exchange Commission, and other statements that are not historical facts are forward-looking statements.

Factors that could affect actual results include the financial performance of CenterPoint Energy, the timing and impact of future regulatory decisions, and other factors discussed in CenterPoint Energy's Form 10-K for the period ended December 31, 2007 and other filings with the Securities and Exchange Commission.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, interstate pipelines and field services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total over \$17 billion. With about 8,600 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit CenterPoint Energy's website at www.CenterPointEnergy.com.

NOTICE OF REDEMPTION**To the Holders of****CenterPoint Energy, Inc.****3.75% Convertible Senior Notes due 2023****CUSIP Numbers: 15189TAA5 and 15189TAC1*****3.75% Convertible Senior Notes, Series B due 2023****CUSIP Number: 15189TAM9***

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May 19, 2003 (the “Original Indenture”) by and between CenterPoint Energy, Inc. (the “Company”) and The Bank of New York Trust Company, National Association (successor to JPMorgan Chase Bank), as Trustee (the “Trustee”), as amended and supplemented by Supplemental Indenture No. 1 dated as of May 19, 2003 (“Supplemental Indenture No. 1”), under which the 3.75% Convertible Senior Notes due 2023 (the “Old Notes”) were issued, and Supplemental Indenture No. 6 dated as of August 23, 2005 (“Supplemental Indenture No. 6” and, together with the Original Indenture and Supplemental Indenture No. 1, the “Indenture”), under which the 3.75% Convertible Senior Notes, Series B due 2023 (the “New Notes” and, together with the Old Notes, the “Notes”) were issued, all outstanding Notes will be redeemed in full on May 30, 2008 (the “Redemption Date”) at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest, including contingent interest, if any, to the Redemption Date (the “Redemption Price”). The amount of interest that will be payable with respect to the Notes on the Redemption Date is \$1.56 per \$1,000 principal amount of the Notes. Pursuant to the Indenture, the amount of contingent interest that will be payable with respect to the Notes on the Redemption Date, if any, will be determined by reference to the average trading price of the Notes for the five business days ending on May 13, 2008 (the “Average Trading Price”). If the Average Trading Price equals or exceeds \$1,200 per \$1,000 principal amount of Notes, the amount of contingent interest payable for the six-month interest period ending November 14, 2008 will equal 0.25% of the Average Trading Price per \$1,000 principal amount of Notes. The amount of contingent interest, if any, that will be payable with respect to the Notes on the Redemption Date will equal a pro rated portion of such six-month amount, as accrued to the Redemption Date. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Indenture.

The Redemption Price will become due and payable on each Note to be redeemed on the Redemption Date and, unless the Company defaults in making payment of the Redemption Price, interest on the Notes will cease to accrue on and after the Redemption Date.

Payment of the Redemption Price and surrender of Notes for redemption will be made through the facilities of The Depository Trust Company. Notes must be surrendered to the Trustee (acting as Paying Agent) to collect the Redemption Price. Holders can inquire about the procedures for redemption of the Notes by calling Kathryn Maxwell at The Bank of New York Trust Company, National Association at (713) 483-6817.

In lieu of redemption, Notes may be converted at any time before 5:00 p.m., New York City time, on the Redemption Date. A holder may convert fewer than all of such holder’s Notes so long as the Notes converted are an integral multiple of \$1,000 principal amount of Notes. Holders of Notes at 5:00 p.m., New York City time, on May 1, 2008, the regular record date for the May 15, 2008 interest payment on the Notes, will receive interest in the amount of \$18.75 per \$1,000 principal amount of Notes payable on May 15, 2008. Notes surrendered for conversion by holders during the period from 5:00 p.m., New York City time, on May 1, 2008 to 9:00 a.m., New York City time, on May 15, 2008 must be accompanied by a payment of \$18.75 per \$1,000 principal amount of Notes surrendered for conversion, which amount equals the regular interest payment that the holder is to receive on the Notes. Holders that submit Notes for conversion after 9:00 a.m., New York City time, on May 15, 2008, need not submit any interest payment in connection with the conversion.

The current conversion rate of the Notes is 89.4381 shares of the Company’s common stock per \$1,000 principal amount of the Notes. With respect to the Old Notes, the Company will satisfy its conversion obligation by delivering a number of shares of the Company’s common stock per \$1,000 principal amount of Old Notes being converted equal to the conversion rate in effect on the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, the Company will satisfy its conversion obligation by paying an amount in cash equal to the lesser of the aggregate principal amount of New Notes being converted

and the Company's conversion obligation with respect to such New Notes, and by delivering shares of the Company's common stock to the extent that such conversion obligation exceeds the aggregate principal amount of New Notes being converted (the "Excess Value"). The Company's conversion obligation with respect to the New Notes will equal the product of:

- (x) the aggregate principal amount of New Notes to be converted by a holder divided by 1,000 multiplied by (y) the conversion rate in effect on the later of (i) the date on which the Ten-Day Average Price (as defined below) can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture (including the delivery of a conversion notice to The Depository Trust Company); and
- the average of the Last Reported Sale Prices of the Company's common stock for the ten-trading-day period commencing on the second trading day following the date the holder submits the Notes for conversion (the "Ten-Day Average Price").

With respect to the New Notes, the number of shares of the Company's common stock to be delivered, if any, will be equal to the Excess Value divided by the Ten-Day Average Price.

With respect to the Old Notes, if a holder submits all or a portion of its Notes for conversion and complies with the requirements of the Indenture, the Company will settle its conversion obligation through the Trustee on or prior to the fifth Business Day following the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the New Notes, if a holder submits all or a portion of its Notes for conversion and complies with the requirements of the Indenture, the Company will settle its conversion obligation through the Trustee on or prior to the fifth Business Day following the later of (i) the date on which the Ten-Day Average Price can be determined or (ii) the date on which the holder satisfies the conversion requirements of the Indenture. With respect to the Notes, the Company will deliver cash in lieu of any fractional shares.

Holders who wish to convert their Notes must comply with the procedures in Paragraph 10 of the Notes.

The Trustee serves as the Paying Agent and Conversion Agent under the Indenture with respect to the Notes. The address of the Trustee is as follows:

Mail:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
P.O. Box 2320
Dallas, TX 75221-2320

Express Delivery:

The Bank of New York Trust
Company, N.A.
Global Corporate Trust
2001 Bryan Street, 9th Floor
Dallas, TX 75201

Hand Delivery:

The Bank of New York Trust
Company, N.A.
101 Barclay Street, 1st Floor
New York, NY 10286

IMPORTANT TAX INFORMATION

Please read this carefully

Under United States federal income tax law a withholding of 28% from reportable payments made to certain holders of Notes may be required unless the holder furnishes a properly completed Form W-9 or otherwise establishes an exemption from backup withholding.

* These CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the holders of the Notes. Neither the Company nor the Trustee shall be responsible for the selection or use of these CUSIP Numbers, nor is any representation made as to their correctness on the Notes or as indicated in this notice.

Dated: April 16, 2008

**THE BANK OF NEW YORK TRUST
COMPANY, NATIONAL ASSOCIATION,
TRUSTEE**, on behalf of CenterPoint Energy, Inc.