

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM U-1/A

AMENDMENT NO. 3 TO
APPLICATION/DECLARATION

UNDER

THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

CenterPoint Energy, Inc.
1111 Louisiana
Houston, Texas 77002

Utility Holding, LLC
200 West Ninth Street Plaza
Suite 411
Wilmington, Delaware 19801

(Name of companies filing this statement and
address of principal executive offices)

CenterPoint Energy, Inc.
1111 Louisiana
Houston, Texas 77002

(Name of top registered holding company parent of each applicant or declarant)

Rufus S. Scott
Vice President, Deputy General Counsel and Assistant Corporate Secretary
CenterPoint Energy, Inc.
1111 Louisiana
Houston, Texas 77002
(713) 207-7451

(Names and addresses of agents for service)

The Commission is also requested to send copies
of any communications in connection with this matter to:

James R. Doty
Joanne C. Rutkowski
Stephanie Smith
Baker Botts L.L.P.
The Warner
1299 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2400
(202) 639-7700

Margo S. Scholin
Baker Botts L.L.P.
3000 One Shell Plaza
Houston, Texas 77002-4995
(713) 229-1234

CenterPoint Energy, Inc. and its Subsidiaries (together, the "Applicants") hereby provide Exhibit A-1, Exhibit A-2, Exhibit B-3, Exhibit B-4 and Exhibit F-1 to their Application/Declaration in File No. 070-10162.

This Amendment No. 3 to the Application-Declaration is intended to supplement Amendment No. 2 to the Application-Declaration ("Amendment No. 2"). Terms not defined herein shall have the meaning provided them in Amendment No. 2.

Exhibits

A-1	Organization of ServiceCo
A-2	Limited Liability Company Regulations of ServiceCo
A-3	Corporate Organization Chart of CenterPoint Energy Incorporated and Subsidiaries (filed with Form U5S and incorporated herein by reference)
B-1	Form of Master Services Agreement
B-2	Form of Service Agreement Procedures Manual*
B-3	Form of Sublease Agreement
B-4	Functional Organization Chart of ServiceCo
B-5	Form of Services Agreement for services rendered by other system companies
D-1	Filing with the Minnesota Commission*
D-2	Filing with the Mississippi Commission*
D-3	Filing with the Louisiana Commission*
F-1	Opinion of Counsel
F-2	Past Tense Opinion of Counsel*
H-1	Form of Notice

* To be filed by amendment.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, as amended, the Applicants have duly caused this Application/Declaration to be signed on their behalf by the undersigned thereunto duly authorized.

Date: December 3, 2003

CENTERPOINT ENERGY, INC.
and its Subsidiaries

By: /s/ Rufus S. Scott

Rufus S. Scott
Vice President, Deputy General Counsel and Assistant Corporate Secretary
CenterPoint Energy, Inc.

Corporations Sections
P.O. Box 13697
Austin, Texas 78711-3697

Geoffrey S. Connor
Secretary of State

(THE STATE OF TEXAS SEAL)

OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF ORGANIZATION

OF

CENTERPOINT ENERGY SERVICE COMPANY, LLC
(Filing Number: 800255966)

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Organization for the above named company have been received in this office and have been found to conform to law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Organization.

Issuance of this Certificate of Organization does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 10/08/2003

Effective: 10/08/2003

(THE STATE OF TEXAS SEAL)

/s/ Geoffrey S. Connor

Geoffrey S. Connor
Secretary of State

Come visit us on the internet at <http://www.sos.state.tx.us/>

PHONE (512) 463-5555
Prepared by: Andrea Titus

FAX (512) 463-5709

TTY7-1-1

ARTICLES OF ORGANIZATION

OF

CENTERPOINT ENERGY SERVICE COMPANY, LLC

I, the undersigned, a natural person of the age of eighteen years or more, acting as organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization therefor:

ARTICLE I

The name of the limited liability company is CenterPoint Energy Service Company, LLC (the "Company").

ARTICLE II

The period of duration of the Company shall be perpetual.

ARTICLE III

The purpose of the Company is the transaction of any or all business for which a limited liability company may be organized under the Texas Limited Liability Company Act.

ARTICLE IV

The address of the Company's initial registered office is 1021 Main Street, Suite 1150, Houston, Texas 77002, and the name of the Company's initial registered agent at such address is CT Corporation System.

ARTICLE V

The Company shall have a manager. The name and address of the initial manager of the Company is David M. McClanahan, 1111 Louisiana, Houston, Texas 77002.

ARTICLE VI

The name and address of the organizer is as follows:

Richard B. Dauphin
1111 Louisiana
Houston, Texas 77002

IN WITNESS WHEREOF, the undersigned has executed this instrument this 8th day of October, 2003.

/s/ Richard B. Dauphin

Richard B. Dauphin
Organizer

LIMITED LIABILITY COMPANY REGULATIONS
FOR
CENTERPOINT ENERGY SERVICE COMPANY, LLC

Effective as of October 9, 2003

LIMITED LIABILITY COMPANY REGULATIONS

These Limited Liability Company Regulations (this "Agreement") are made and executed to be effective as of October 9, 2003 by Utility Holding, LLC a Delaware limited liability company.

WHEREAS, articles of organization for CenterPoint Energy Service Company, LLC (the "Company"), have been filed with the Secretary of State of the State of Texas; and

WHEREAS, it is desired that the orderly management of the affairs of the Company be provided for;

NOW, THEREFORE, it is agreed as follows:

ARTICLE I

DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Additional Member" shall mean any Person admitted to the Company as an Additional Member pursuant to Section 4.3 of this Agreement.

"Affiliate," with respect to a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. For purposes of this definition, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Agreement as originally executed and as it may be amended from time to time hereafter.

"Articles of Organization" shall mean the Articles of Organization of the Company filed with and endorsed by the Secretary of State of the State of Texas, as such articles may be amended from time to time hereafter.

"Capital Contribution" shall mean any contribution to the capital of the Company in cash or property by a Member whenever made.

"Capital Percentage" shall mean a Member's ownership interest in the Company expressed as a percentage of the total Common Shares issued and outstanding.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent superseding federal revenue laws.

"Common Share" shall have the meaning given such term in Section 4.1(a).

"Entity" shall mean any foreign or domestic general partnership, limited partnership, limited liability company, corporation, joint enterprise, trust, business trust, employee benefit plan, cooperative or association.

"Fiscal Year" shall have the meaning given such term in Section 11.1.

"Indemnatee" shall have the meaning given such term in Section 8.1.

"Initial Member" shall have the meaning given such term in Article III.

"Manager" shall mean any of the managers of the Company duly appointed or elected to serve in such capacity under Texas law and this Agreement.

"Member" shall mean each Person who executes a counterpart of this Agreement as a Member and each Person who may hereafter become an Additional Member pursuant to Section 4.3 or a Substituted Member pursuant to Section 13.3, but shall not include any Member that ceases to be a Member.

"Person" shall mean any individual or Entity, and any heir, executor, administrator, legal representative, successor or assign of such "Person" where the context so admits.

"Requisite Interest" shall mean the Members holding more than 50% of the issued and outstanding Common Shares held by Members at any given time.

"Substituted Member" shall mean any transferee or assignee of Common Shares that is admitted to the Company as a Member pursuant to Section 13.3.

"Texas Act" shall mean the Texas Limited Liability Company Act, as the same may be amended from time to time hereafter.

ARTICLE II

FORMATION OF THE COMPANY

2.1 Formation. On October 8, 2003, the Articles of Organization of the Company were filed with the Secretary of State of the State of Texas pursuant to the Texas Act.

2.2 Name. The name of the Company is CenterPoint Energy Service Company, LLC. If the Company shall conduct business in any jurisdiction other than the State of Texas, it shall register the Company or its trade name with the appropriate authorities in such state in order to have the legal existence of the Company recognized.

2.3 Place of Business. The initial principal place of business of the Company shall be 1111 Louisiana, Houston, Texas 77002. The Company may locate its places of business and registered office at any place or places as the Managers may from time to time deem advisable.

2.4 Registered Office and Registered Agent. The Company's registered office shall be at the office of its registered agent at 1021 Main Street, Suite 1150, Houston, Texas 77002, and the name of its initial registered agent at such address shall be CT Corporation System.

2.5 Term. The Company and this Agreement shall continue until the earliest of (a) such time as all of the Company's assets have been sold or otherwise disposed of, or (b) such time as the Company's existence has been terminated as otherwise provided herein or in the Texas Act.

2.6 Purpose of the Company. Subject to the further provisions hereof, the object and purpose of the Company is to engage in any lawful business activities in which a limited liability company formed under the Texas Act may engage or participate, including, without limitation, providing services to CenterPoint Energy, Inc. and its direct and indirect subsidiaries and exercising any and all rights and powers and performing and discharging any and all obligations and liabilities with respect to providing such services. The Company shall have any and all powers necessary or desirable to carry out the object and purpose of the Company to the extent the same may be legally exercised by limited liability companies under the Texas Act. The Company shall carry out the foregoing activities pursuant to its Articles of Organization and this Agreement.

ARTICLE III

INITIAL MEMBER

The name and place of business of the initial Member (the "Initial Member") is as follows:

Utility Holding, LLC
200 West Ninth Street Plaza
Wilmington, Delaware 19801

ARTICLE IV

CAPITAL OF THE COMPANY

4.1 Common Shares and Initial Contributions.

(a) A class of equity interests denominated the "Common Shares" is hereby designated as the sole class of equity interests of the Company. Each issued and outstanding Common Share shall at any time represent that undivided portion of all of the rights, duties, obligations and ownership interests in the Company in proportion to the total number of Common Shares outstanding at such time.

(b) The Company will issue to the Initial Member 1,000 Common Shares upon payment of \$1,000 to the Company from the Initial Member, which payment shall constitute the initial Capital Contribution of the Initial Member. Upon receipt of such initial Capital Contribution and issuance of such 1,000 Common Shares, such Common Shares shall be validly issued and outstanding, fully paid and nonassessable.

4.2 Additional Contributions. No Member shall be required to make additional Capital Contributions unless, and except on such terms as, the Members unanimously agree.

4.3 Additional Issuances of Common Shares.

(a) In the event of any additional Capital Contributions, and in order to raise additional capital or to acquire assets, to redeem or retire Company debt or for any other purpose, the Company is authorized to issue Common Shares from time to time to Members or to other Persons, subject to the approval of the Requisite Interest. The Company may assume liabilities in connection with any such issuance. The Managers shall determine the consideration and terms and conditions with respect to any such issuance of Common Shares. The Managers shall do all things necessary or advisable in connection with any such issuance, including, without limitation, compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency.

(b) Upon (i) the execution and delivery to the Company of this Agreement, as it may be amended, by any Person who is issued any Common Shares, (ii) receipt by the Company of any Capital Contribution required of such Person made in connection with the issuance of Common Shares, (iii) consent by all other Members to such Person being admitted as an Additional Member and (iv) any other action required by Texas law, such Person shall be admitted as an Additional Member of the Company.

4.4 Record of Contributions. The books and records of the Company shall include true and full information regarding the amount of cash and cash equivalents and designation and statement of the value of any other property contributed by each Member to the Company.

4.5 No Fractional Common Shares. No fractional Common Shares shall be issued by the Company unless otherwise determined by the Managers; instead, each fractional Common Share shall be rounded to the nearest whole Common Share.

4.6 Interest. No interest shall be paid by the Company on Capital Contributions.

4.7 Loans from Members. Loans by a Member to the Company shall not be considered Capital Contributions.

4.8 Withdrawal or Reduction of Members' Capital Contributions.

(a) A Member shall not be entitled to withdraw any part of his Capital Contribution or to receive any distribution from the Company, except as otherwise provided in this Agreement.

(b) A Member shall not receive out of the Company's property or other assets any part of his Capital Contributions until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property or other assets of the Company sufficient to pay all such liabilities.

(c) A Member, irrespective of the nature of his Capital Contribution, has only the right to demand and receive cash in return for his Capital Contribution.

4.9 Loans to Company. Nothing in this Agreement shall prevent any Member from making secured or unsecured loans to the Company by agreement with the Company.

4.10 Borrowing. In the event that the Company, in order to discharge costs, expenses or indebtedness, requires funds in excess of the funds provided by Capital Contributions of the Members and by revenues, the Managers shall be authorized, at any time and from time to time, to cause the Company to borrow additional funds, as shall in the judgment of the Managers be sufficient for such purposes and upon such terms as the Managers may deem advisable.

4.11 No Further Obligation. Except as expressly provided for in or contemplated by this Article IV, no Member shall have any obligation to provide funds to the Company, whether by Capital Contributions, loans, return of monies received pursuant to the terms of this Agreement or otherwise.

ARTICLE V

RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Limitation of Members' Responsibility, Liability. A Member shall not be personally liable for any amount in excess of its Capital Contribution, and shall not be liable for any of the debts or losses of the Company, except to the extent that a liability of the Company is founded upon or results from an unauthorized act or activity of such Member. In addition, each Member's liability shall be limited as set forth in the Texas Act and other applicable law.

5.2 Return of Distributions. In accordance with Article 5.09 of the Texas Act, a Member will be obligated to return any distribution from the Company only as provided by applicable law.

5.3 Priority and Return of Capital. Except as may be provided in this Agreement, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to profits, losses or distributions; provided that this Section 5.3 shall not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company.

ARTICLE VI

MEETINGS OF MEMBERS; AMENDMENTS

6.1 Meetings. Meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Manager or by any Member or group of Members holding, in the aggregate, 25% or more of the Common Shares entitled to vote at such meeting.

6.2 Place of Meetings. The Members may designate any place as the place of meeting for any meeting of the Members. If no designation is made, the meeting shall be held at the principal offices of the Company.

6.3 Notice of Meetings. Except as provided in Section 6.4, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the Manager or Person calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be

delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the books of the Company, with postage thereon prepaid. If transmitted by way of facsimile, such notice shall be deemed to be delivered on the date of such facsimile transmission to the fax number, if any, for the respective Member that has been supplied by such Member to the Managers and identified as such Member's facsimile number.

6.4 Meeting of All Members. If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

6.5 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, the Managers may set a record date. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section 6.5, such determination shall apply to any adjournment thereof.

6.6 Quorum. Members holding at least a majority of the outstanding Common Shares entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, Members holding a majority of such Common Shares so represented may adjourn the meeting from time to time for a period not to exceed 60 days without further notice. However, if the adjournment is for more than 60 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of Members holding that number of Common Shares whose absence would cause less than a quorum.

6.7 Manner of Acting. If a quorum is present, the affirmative vote of the Requisite Interest on the subject matter shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Texas Act, by the Articles of Organization or by this Agreement.

6.8 Proxies. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact. Such proxy shall be filed with the Managers of the Company before or at the time of the meeting. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

6.9 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting, without prior notice and without a vote if the action is evidenced by one or more written consents describing the action taken, signed by Members entitled to vote thereon holding not fewer than the minimum number of Common Shares that would be necessary to take the action at a meeting at which all Members entitled to vote on the action were present and voted, and delivered to the Managers of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section 6.9 is effective when all Members entitled to vote thereon holding not fewer than the minimum number of Common Shares that would be necessary to take such action have signed the consent, unless the consent specifies a different effective date. The record date for

determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

6.10 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice.

6.11 Special Prohibitions and Limitations. Without the prior approval of the Requisite Interest, the Company shall not (i) sell, exchange or otherwise dispose of all or substantially all of the assets of the Company outside the ordinary course of business of the Company (provided, however, that this provision shall not be interpreted to preclude or limit the mortgage, pledge, hypothecation or grant of a security interest in all or substantially all of the assets of the Company and shall not apply to any forced sale of any or all of the assets of the Company pursuant to the foreclosure of (or in lieu of foreclosure), or other realization upon, any such encumbrance), (ii) merge, consolidate or combine with any other Person, or (iii) issue additional Common Shares.

6.12 Amendments to be Adopted Solely by the Managers. The Managers, without the consent at the time of any Member, may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Company or the location of the principal place of business of the Company;

(b) the admission, substitution or withdrawal of Members in accordance with this Agreement;

(c) a change that is necessary or advisable in the opinion of the Managers to qualify the Company as a company in which members have limited liability under the laws of any state or other jurisdiction or to ensure that the Company will not be treated as an association taxable as a corporation for federal income tax purposes;

(d) a change that (i) in the sole discretion of the Managers does not adversely affect the Members in any material respect, (ii) is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or contained in any federal or state statute or (iii) is required or contemplated by this Agreement;

(e) a change in any provision of this Agreement that requires any action to be taken by or on behalf of the Company or the Members pursuant to the requirements of Texas law if the provisions of Texas law are amended, modified or revoked so that the taking of such action is no longer required; provided that this Section 6.12(e) shall be applicable only if such changes are not materially adverse to the Members;

(f) a change that is necessary or desirable in connection with the issuance of Common Shares pursuant to Section 4.3; or

(g) any other amendments similar to the foregoing.

Each Member hereby appoints each Manager as its attorney-in-fact to execute any amendment permitted by this Section 6.12.

6.13 Amendments. A proposed amendment to this Agreement (other than one permitted by Section 6.12) shall be effective upon its adoption by Members holding at least 80% of the issued and outstanding Common Shares at such time. The Company shall notify all Members upon final adoption or rejection of any proposed amendment to this Agreement.

ARTICLE VII

RIGHTS AND DUTIES OF MANAGERS

7.1 Management. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under, its Managers. In addition to the powers and authorities expressly conferred by this Agreement upon the Managers, the Managers may exercise all such powers of the Company and do all such lawful acts and things as are not directed or required to be exercised or done by the Members by the Texas Act, the Articles of Organization of the Company or this Agreement.

7.2 Number and Qualifications. The number of Managers of the Company shall initially be one; but the number of Managers may be changed by unanimous agreement of the Members. Managers need not be residents of the State of Texas or Members of the Company. The Managers, in their discretion, may elect a chairman of the Managers who shall preside at any meetings of the Managers.

7.3 Powers of the Managers. Without limiting the generality of Section 7.1, the Managers shall have power and authority, acting in accordance with this Agreement, to cause the Company to do and perform all acts as may be necessary or appropriate to the conduct of the Company's business.

7.4 Initial Manager. The initial Manager shall be David M. McClanahan. The Members shall have the right to take action pursuant to a meeting of the Members or unanimous written consent of the Members to designate one or more Managers and to remove, replace or fill any vacancy occurring for any reason of any Manager.

7.5 Place of Meetings. All meetings of the Managers of the Company or committees thereof may be held either within or without the State of Texas. Any Manager may participate in a meeting by means of conference telephone or similar equipment, and participation by such means shall constitute presence in person at the meeting.

7.6 Meetings of Managers. Meetings of the Managers may be called by any Manager on two days' notice to each Manager, either personally or by mail, telephone or telegram.

7.7 Quorum. At all meetings of the Managers, the presence of a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business unless a greater number is required by law. The act of a majority of the Managers present at a meeting at which a quorum is present shall be the act of the Managers, except as otherwise provided by law, the Articles of Organization or this Agreement. If a quorum shall not be present at any meeting of the Managers, the Managers present at the meeting may adjourn the

meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

7.8 Attendance and Waiver of Notice. Attendance of a Manager at any meeting shall constitute a waiver of notice of such meeting, except where a Manager attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Managers need be specified in the notice or waiver of notice of such meeting.

7.9 Action by Managers Without a Meeting. Action required or permitted to be taken at a meeting of Managers may be taken without a meeting, without prior notice and without a vote if the action is evidenced by one or more written consents describing the action taken, signed by the Managers having not fewer than the minimum number of votes that would be necessary to take the action at a meeting at which all Managers entitled to vote on the action were present and voted, and included in the Company minutes or records. Action taken under this Section 7.9 is effective when the requisite number of Managers have signed the consent, unless the consent specifies a different effective date. The record date for determining Managers entitled to take action without a meeting shall be the date the first Manager signs a written consent.

7.10 Compensation of Managers. Managers, as such, shall not receive any stated salary for their services, but shall receive such compensation for their services as may be from time to time approved by the Members, provided that nothing contained in this Agreement shall preclude any Manager from serving the Company in any other capacity and receiving compensation for service. In addition, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Managers.

7.11 Committees. The Managers may, by resolution, designate from among the Managers one or more committees, each of which shall be comprised of one or more Managers, and may designate one or more of the Managers as alternate members of any committee, who may, subject to any limitations imposed by the Managers, replace absent or disqualified Managers at any meeting of that committee. Such committee shall have and may exercise all of the authority of the Managers, subject to the limitations set forth in this Agreement and under the Texas Act.

7.12 Liability of Managers. A Manager shall not be liable under any judgment, decree or order of a court, or in any other manner, for any debt, obligation or liability of the Company by reason of his acting as a Manager of the Company. A Manager of the Company shall not be personally liable to the Company or its Members for monetary damages for breach of fiduciary duty as a Manager, except for liability for any acts or omissions that involve intentional misconduct, fraud or a knowing violation of law or for a distribution in violation of Texas law as a result of the willful or grossly negligent act or omission of the Manager. If the laws of the State of Texas are amended after the date of this Agreement to authorize action further eliminating or limiting the personal liability of Managers, then the liability of a Manager of the Company, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended laws of the State of Texas. Any repeal or modification of this Section 7.12 by the Members of the Company shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Manager of the Company

existing at the time of such repeal or modification or thereafter arising as a result of acts or omissions prior to the time of such repeal or modification.

7.13 Officers. The Managers of the Company may elect the officers of the Company, who shall hold offices specified by the Managers for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Managers; and each officer of the Company shall hold office until his successor is chosen and qualified or until his earlier resignation or removal. Any officer elected by the Managers may be removed at any time by the affirmative vote of at least a majority of the Managers. Any vacancy occurring in any office of the Company may be filled by the affirmative vote of at least a majority of the Managers. The salaries of all officers of the Company shall be fixed by the Managers.

ARTICLE VIII

INDEMNIFICATION

8.1 Indemnification. Subject to the approvals required by Sections 8.5 and 8.6, each Person who at any time shall be, or shall have been, a Member, Manager, officer, employee or agent of the Company, or any Person who is or was serving at the request of the Company as a director, member, manager, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of an Entity (but excluding Persons providing trustee, fiduciary or custodial services on a fee-for-services basis), shall be entitled to indemnification as provided herein and to the fullest extent permitted by the provisions of Texas law or any successor statutory provisions, as from time to time amended (any such Person serving in any of the aforesaid capacities who was or is or is threatened to be made a party or a witness to any action or proceeding as described in Sections 8.2, 8.3 or 8.5 by reason of his status as such, being hereinafter referred to as an "Indemnitee"). Any repeal of this Section 8.1 shall be prospective only, and shall not adversely affect any right of indemnification existing at the time of such repeal or modification or thereafter arising as a result of acts or omissions prior to the time of such repeal or modification. If any provision or provisions of this Agreement relating to indemnification shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; and, to the fullest extent possible, the provisions of this Agreement shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable, including, without limitation, by allowing indemnification by vote of the Members or Managers or the disinterested minority thereof.

8.2 Power to Indemnify in Actions, Suits or Proceedings Other Than Those by or in the Right of the Company. Without limiting the provisions of Section 8.1 and subject to the approvals required by Sections 8.5 and 8.6, the Company shall indemnify an Indemnitee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the Indemnitee's status as such against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with such action, suit or proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon

a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not act in good faith and in a manner that the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the Indemnitee's conduct was unlawful.

8.3 Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Company. Without limiting the provisions of Section 8.1 and subject to the approvals required by Sections 8.5 and 8.6, the Company shall indemnify an Indemnitee who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, administrative or investigative, by or in the right of the Company to procure a judgment in its favor by reason of the Indemnitee's status as such against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with such action, suit or proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as to which the Indemnitee shall have been adjudged to be liable to the Company unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for such expenses that the court shall deem proper.

8.4 Good Faith Defined. For purposes of any determination under this Article VIII, an Indemnitee shall be deemed to have acted in good faith and in a manner such Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such Indemnitee's conduct was unlawful, if such Indemnitee's action is based upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Members, Managers, officers, employees or committees of the Company or by any other Person as to matters the Indemnitee reasonably believes are within such Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to the Members might properly be paid. The provisions of this Section 8.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which an Indemnitee may be deemed to have met the applicable standards of conduct set forth in the provisions of the Texas Act, or in Section 8.2 or Section 8.3, as the case may be.

8.5 Advancement or Reimbursement of Expenses. The Company may pay in advance or reimburse expenses actually or reasonably incurred or anticipated by an Indemnitee in connection with an appearance as a witness or other participation in a proceeding whether or not such Indemnitee is a named defendant or a respondent in the proceeding. To obtain reimbursement or an expense advance, the requesting Indemnitee shall submit to the Company a written request with such information as is reasonably available. If the expense advance is to be paid prior to final disposition of the proceeding, there shall be included a written statement of such Indemnitee's good faith belief that such indemnification is appropriate under the circumstances and that such Indemnitee has met the necessary standard of conduct under Section

8.2 or Section 8.3 as applicable or otherwise has met any applicable standard of conduct under the Texas Act and an undertaking to repay any amount paid if it is ultimately determined that those conduct requirements were not met. Upon receipt of the request, the Managers (by unanimous agreement), shall determine whether such Indemnitee is entitled to such reimbursement or an expense advance. If the request is rejected, the Company shall notify such Indemnitee of the reason therefor. If, within sixty days of the Company's receipt of the request, the request for payment is not acted on, such Indemnitee shall have the right to an adjudication in any court of competent jurisdiction of such Indemnitee's entitlement to such indemnification or expense advance.

8.6 Nonexclusivity and Survival of Indemnification. The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Article VIII shall not be deemed exclusive of any other rights to which an Indemnitee may be entitled under applicable law, this Agreement, any other agreement, by vote of the disinterested Members or Managers or otherwise, both as to action in an official capacity and as to action in any other capacity while an Indemnitee, it being the policy of the Company that, if the Managers unanimously approve, indemnification specified in this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any Person who is not specified in this Article VIII but whom the Company has the power or obligation to indemnify under the provisions of the Texas Act or otherwise.

8.7 Insurance. The Company may purchase and maintain insurance on behalf of any Person who is or was a Member, Manager, officer, employee or agent of the Company, or any other Person, as the Managers may determine, against any liability that may be asserted against and incurred by such Person in connection with the Company's activities or such Person's activities on behalf of the Company, whether or not the Company would have the power or the obligation to indemnify such Person against such liability under the provisions of this Article VIII.

8.8 Interested Party Transactions. Without limiting the generality of any other provision hereof, the Company may (except as otherwise specifically provided for in this Agreement) enter into any contract, arrangement or transaction between the Company and one or more Members, Managers or officers, or between the Company and an Entity that is an Affiliate of one or more Members, Managers or officers or in which a Member, Manager or officer has an interest or serves as a director, member, manager, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary and such contract, arrangement or transaction shall not, because of such interest by or position of a Member, Manager or officer, be void or voidable nor impose on any such Person any burden or obligation to show the fairness of the contract, arrangement or transaction, but shall instead be accorded the same treatment as a contract, arrangement or understanding between the Company and an unrelated party.

ARTICLE IX

ISSUANCE OF CERTIFICATES

9.1 Issuance of Certificates. Upon the issuance of Common Shares, the Company shall issue one or more Certificates in the name of the Members owning such Common Shares. Upon the transfer of a Common Share, the Company shall issue replacement Certificates according to such procedures as the Company may reasonably establish.

9.2 Lost, Stolen or Destroyed Certificates. The Company shall issue a new Certificate in place of any Certificate previously issued if the registered owner of the Certificate:

(a) makes proof by affidavit, in form and substance satisfactory to the Company, that a previously issued Certificate has been lost, destroyed or stolen;

(b) requests the issuance of a new Certificate before the Company has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(c) if requested by the Company, delivers to the Company a bond, in form and substance satisfactory to the Company, with such surety or sureties and with fixed or open penalty as the Company may direct to indemnify the Company against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(d) satisfies any other reasonable requirements imposed by the Company.

When a Certificate has been lost, destroyed or stolen, and the Member fails to notify the Company within a reasonable time after he has notice of it, and a transfer of the Common Shares represented by the Certificate is registered before the Company receives such notification, the Member shall be precluded from making any claim against the Company for such transfer or for a new Certificate.

9.3 Registered Owners. The Company shall be entitled to treat the registered owner of any Common Shares as the Person that owns such Common Shares and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Common Shares on the part of any other Person, regardless of whether it shall have actual or other notice thereof, except as otherwise provided by law.

ARTICLE X

ALLOCATIONS AND DISTRIBUTIONS

10.1 Allocations. Except as may otherwise be unanimously agreed by the Members, all items of income, gain, loss, deduction, and credit of the Company shall be allocated among the Members in accordance with their Capital Percentages.

10.2 Distributions. From time to time the Managers by unanimous agreement may determine to what extent (if any) the Company's cash on hand exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, acquisitions, and a reasonable contingency reserve, and if such an excess exists, cause the Company to distribute to the Members, in accordance with their Capital Percentages, an amount in cash equal to that excess.

10.3 Limitation Upon Distributions. Notwithstanding anything herein to the contrary, no distribution may be made to the Members if such distribution would violate the terms of Article 5.09 of the Texas Act.

ARTICLE XI

ACCOUNTING PERIOD, RECORDS AND REPORTS

11.1 Accounting Period. The fiscal year of the Company shall be the calendar year ending December 31 or such other period as the Managers may determine (the "Fiscal Year").

11.2 Records, Audits and Reports. At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company.

11.3 Inspection. The books and records of the Company shall be maintained at the principal place of business of the Company and shall be open to inspection by the Members at all reasonable times during any business day.

ARTICLE XII

TAX MATTERS

12.1 Tax Returns and Elections. The Managers or their designees shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code, if any, and all other tax returns and other tax filings and elections that the Managers or their designees deem necessary. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members as promptly as practicable after filing.

12.2 State, Local or Foreign Income Taxes. In the event state or foreign income taxes are applicable, any references to federal income taxes or to "income taxes" contained herein shall refer to federal, state, local and foreign income taxes. References to the Code or Treasury regulations promulgated under the Code shall be deemed to refer to corresponding provisions that may become applicable under state, local or foreign income tax statutes and regulations.

12.3 Assignments and Issuance of Additional Common Shares. The Company shall allocate taxable items attributable to a Common Share that is assigned or newly issued during a Fiscal Year between the assignor and the assignee of such Common Share or the existing Members and the new Members by closing the books of the Company as of the end of the day prior to the day in which such Common Shares are assigned or issued.

ARTICLE XIII

RESTRICTIONS ON TRANSFERABILITY;
ADMISSION OF SUBSTITUTE MEMBERS

13.1 Generally. All Common Shares at any time and from time to time outstanding shall be held subject to the conditions and restrictions set forth in this Article XIII, which conditions and restrictions shall apply equally to the Members and their respective transferees (except as otherwise expressly stated), and each Member by executing this Agreement or by accepting a certificate or other indicia of ownership therefor from the Company agrees with the Company and with each other Member to such conditions and restrictions. Without limiting the generality of the foregoing, the Company shall require as a condition to the transfer of record ownership of Common Shares that the transferee of such Common Shares execute and deliver

this Agreement as evidence that such Common Shares are held subject to the terms, conditions and restrictions set forth herein.

13.2 Restriction on Transfer. No Common Shares shall be sold, assigned, given, transferred, exchanged, devised, bequeathed, pledged or otherwise disposed of to any Person except upon the unanimous approval of the Members and otherwise in accordance with the terms of this Agreement. All certificates representing the respective Common Shares shall contain conspicuous notation on such certificate indicating that the transfer of such Common Shares is subject to the terms and restrictions of this Agreement, and each Member consents to the placement of such legend on the certificate or certificates representing the Common Shares owned by such Member.

13.3 Substituted Members. Any Person that acquires any Common Shares that is not already a Member shall not have the right to participate in the management of the business and affairs of the Company, to vote such Common Shares, or to become a Member of the Company unless the Members of the Company unanimously consent to such Person becoming a Member of the Company. If such Person is not admitted as a Member of the Company, such Person only is entitled to receive the share of profits, distributions, and allocations of income, gain, loss, deduction, credit, or similar item to which the Person would be entitled if such Person were a Member of the Company.

ARTICLE XIV

DISSOLUTION AND TERMINATION

14.1 Dissolution.

(a) The Company shall dissolve upon the occurrence of any of the following events:

- (i) if all of the Members so agree in writing;
- (ii) if the Requisite Interest votes to dissolve the Company; or
- (iii) as provided in Section 2.5 hereto.

(b) The personal representative (or other successor-in-interest) of a deceased Member shall, subject to the provisions of Article XIII, succeed to the deceased Member's interest in the Company. However, such personal representative (or other successor in interest) shall not be entitled to be admitted as a Member unless the conditions specified in Article XIII are met.

14.2 Effect of Dissolution. Upon the occurrence of any of the events specified in this Article XIV effecting the dissolution of the Company, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until a certificate of dissolution has been issued by the Secretary of State of the State of Texas or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

14.3 Winding Up, Liquidating and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Managers shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Managers shall (1) sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Managers may determine to distribute any assets in kind to the Members), (2) allocate any income or loss resulting from such sales to the Members in accordance with this Agreement, (3) discharge all liabilities to creditors in the order of priority as provided by law, (4) discharge all liabilities of the Members (other than liabilities to Members or for Capital Contributions to the extent unpaid in breach of an obligation to do so), including all costs relating to the dissolution, winding up and liquidation and distribution of assets, (5) establish such reserves as the Managers may determine to be reasonably necessary to provide for contingent liabilities of the Company, (6) discharge any liabilities of the Company to the Members other than on account of their interests in Company capital or profits and (7) distribute the remaining assets to the Members, either in cash or in kind, as determined by the Managers, pro rata according to the relative number of Common Shares held by each. If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Managers.

(c) Notwithstanding anything to the contrary in this Agreement, upon a liquidation of the Company no Member shall have any obligation to make any contribution to the capital of the Company other than any Capital Contributions such Member agreed to make in accordance with this Agreement.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Managers shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

14.4 Articles of Dissolution. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, Articles of Dissolution shall be executed and filed with the Secretary of State of the State of Texas, which Articles shall set forth the information required by the Texas Act.

14.5 Return of Contribution Non-recourse to Other Members. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of the Member's Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash or other property contribution of one or more Members, such Member or Members shall have no recourse against any other Member.

ARTICLE XV

MISCELLANEOUS PROVISIONS

15.1 Notices. Any notice, demand or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or if sent by registered or certified mail, postage and charges prepaid, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Agreement. If mailed, any such notice shall be deemed to be delivered two calendar days after being deposited in the United States mail with postage thereon prepaid, addressed and sent as aforesaid.

15.2 Books of Account and Records. Proper and complete records and books of account in which shall be entered fully and accurately all transactions and other matters relating to the Company's business in such detail and completeness as is customary and usual for businesses of the type engaged in by the Company shall be kept or shall be caused to be kept by the Company. Such books and records shall be maintained as provided in Section 11.3.

15.3 Application of Texas Law. This Agreement, and the application of interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Texas, and specifically the Texas Act.

15.4 Waiver of Action for Partition. Each Member irrevocably waives, during the term of the Company, any right that such Member may have to maintain any action for partition with respect to the property and assets of the Company.

15.5 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

15.6 Gender and Number. Whenever required by the context, as used in this Agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

15.7 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

15.8 Waivers. No waiver of any right under this Agreement shall be effective unless evidenced in writing and executed by the Person entitled to the benefits thereof. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent another act or omission, which would have originally constituted a violation, from having the effect of an original violation.

15.9 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other rights or remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, rule, regulation or otherwise.

15.10 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

15.11 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

15.12 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Company or any creditor of any Member of the Company.

15.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

EXECUTED to be effective as of the date first above written.

UTILITY HOLDING, LLC

By: s/ Patricia F. Genzel

Name: Patricia F. Genzel
Title: President

FORM OF SUBLEASE

THIS SUBLEASE AGREEMENT (the "SUBLEASE") is made by and between CenterPoint Energy Service Company, LLC, a Texas Limited Liability Company, as assignee of CenterPoint Energy, Inc., a Texas corporation ("SUBLESSOR"), and _____, a _____ ("SUBLESSEE"), effective the ___ day of _____, 200_ ("EFFECTIVE DATE").

RECITALS:

WHEREAS, Sublessor and CenterPoint Energy Properties, Inc. ("LANDLORD") entered into that certain Office Lease Agreement (the "PRIME LEASE") dated _____, 2002 for the Leased Premises (as defined in the Prime Lease) situated in that certain office building now known as CenterPoint Energy Plaza and formerly known as Reliant Energy Plaza (the "BUILDING"), located in Houston, Harris County, Texas, a copy of the Prime Lease being attached to this Sublease as Exhibit B; and

WHEREAS, each capitalized term used and not otherwise defined herein shall have the meaning for such term set forth in the Prime Lease.

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublessor and Sublessee agree as follows:

1. Subleased Premises. Sublessor hereby subleases to Sublessee, and Sublessee hereby accepts and leases from Sublessor upon and subject to the covenants, agreements, terms, provisions and conditions of this Sublease, approximately _____ square feet of Net Rentable Area on Floor _____ of the Leased Premises (the "SUBLEASE PREMISES") which is more specifically described on Exhibit A attached hereto and made a part hereof for all purposes.

2. Sublease Term. This Lease shall expire upon the Expiration Date or earlier termination of the Prime Lease, unless terminated earlier or extended as otherwise permitted herein.

3. Use. The Sublease Premises shall be used only for purposes allowed pursuant to the Prime Lease and no other without the prior written consent of Sublessor and Landlord. Sublessee shall comply with all laws, ordinances, rules and regulations governing such use, whether the same are issued by a governmental or quasi-governmental agency or are reasonably issued by either the Sublessor or Landlord for health or safety reasons.

4. Sublease Rent.

(a) The Rent for the Sublease Premises for the term of the Sublease shall be as follows:

[NOTE: INSERT PRO RATA RENT STRUCTURE FOR EACH SUBLEASE INCLUDING SAME CALCULATION FOR SUBTENANT'S SHARE OF OPERATING EXPENSES UNDER PRIME LEASE]

(b) All other sums, charges or amounts which Sublessee has agreed to pay to Sublessor pursuant to this Sublease shall be referred to as "ADDITIONAL RENT".

(c) All Rent and Additional Rent shall be payable at the office of Sublessor at the address herein contained or at such other place as Sublessor may specify in writing to Sublessee upon at least thirty (30) days' prior notice.

5. Space "As Is". Sublessee accepts the Sublease Premises in an "AS IS, WHERE IS" condition. Sublessor shall not be required to make any improvements to the Sublease Premises.

6. Assumption of Obligations.

(a) Assumption. Sublessee shall comply with all of the provisions of the Prime Lease that are to be performed by Sublessor as tenant during the term of this Sublease, to the extent such provisions pertain to the Sublease Premises. Sublessor shall comply with all of the provisions of the Prime Lease other than those to be performed by Sublessee as set forth herein.

(b) Incorporation of Lease. The provisions of the Prime Lease, to the extent that they do not conflict with specific provisions contained in this Sublease, are fully incorporated into this Sublease. Sublessee agrees to be bound to Sublessor by all of the terms of the Prime Lease and to assume toward Sublessor and perform all of the obligations and responsibilities that Sublessor by the Prime Lease assumes toward the Landlord to the extent such obligations and responsibilities pertain to the Sublease Premises defined in this Sublease.

7. Attornment. In the event of a cancellation or termination of the Prime Lease prior to the expiration date thereof and prior to the expiration date of this Sublease, or in the event of the surrender, whether voluntary, involuntary or by operation of law, of the Prime Lease, Sublessee shall, at the option of Landlord, make full and complete attornment to Landlord for the balance of the term of this Sublease, upon the same covenants and conditions that are contained in this Sublease in order to establish direct privity of estate and contract between Landlord and Sublessee and with the same force and effect as though this Sublease was originally made directly between Landlord and Sublessee. To the extent of any irreconcilable conflict between the terms of this Sublease and the terms of the Prime Lease, Landlord shall be bound only to the extent of the terms of the Prime Lease.

8. Hold Harmless. Sublessor and its partners and representatives shall not be liable to Sublessee, or to Sublessee's agents, servants, employees, contractors, customers or invitees for any damage to person or property caused by any negligent act or omission of Sublessee, its agents, servants, employees or contractors and Sublessee agrees to hold Sublessor harmless from all claims for any such damage. Sublessee shall not be liable to Sublessor, or to its agents, servants, employees, customers or invitees for any damage to person or property caused by any negligent act or omission of Sublessor or its agents, servants, employees, and Sublessor agrees to indemnify and hold Sublessee harmless from all claims for such damage. The indemnifications

granted by each of Sublessor and Sublessee herein are in addition to and not in replacement of any indemnifications granted in the Prime Lease but are subject to any express provisions to the contrary in the Prime Lease.

9. Assignment and Subleasing. Sublessee shall not assign or hypothecate this Sublease or any interest therein, sublet the Sublease Premises, or any part thereof, or permit the use of the Sublease Premises by any party other than Sublessee, without the prior written consent of Sublessor, which consent may not be unreasonably withheld. Any assignee or sublessee of this Sublease shall have no right to further assign this Sublease or sublet the Subleased Premises, and any assignment or sublease of this Sublease shall include a provision to that effect. Consent of Sublessor to a particular sublease or assignment shall not constitute consent to a subsequent sublease or assignment. Notwithstanding anything contained herein to the contrary, none of the following shall constitute an assignment of this Sublease and therefore Sublessee may enter into any of the following transactions without the consent of Sublessor or Landlord under the Prime Lease: (i) the sale of all or substantially all of the assets of Sublessee, (ii) a transfer of the stock of Sublessee, (iii) the merger of Sublessee into a different entity, and (iv) the merger of an entity into Sublessee. From and after the date of consummation of any of the foregoing transactions, original Sublessee shall be released from liability under this Sublease and Sublessor agrees to look solely to the successor entity for the satisfaction of Sublessee's obligations under this Sublease from and after such date. In the alternative, if any of the foregoing transactions occurs, Sublessee shall have the option to terminate this Sublease upon thirty (30) days prior written notice to Sublessor.

10. Default.

(a) The happening of any one, or more, of the following events shall be an "Event of Default" under this Sublease:

(i) Sublessee fails or refuses to pay any installment Rent, Additional Rent or any other amounts due from Sublessee to Sublessor hereunder, and such failure or refusal continues for more than ten (10) days following written notice thereof; or

(ii) Sublessee fails or refuses to perform any of its other covenants under this Sublease or the Lease, and such failure or refusal continues for more than ten (10) days following written notice of thereof (plus such additional time, up to a maximum of thirty (30) days, as is reasonably required to cure a default which despite diligent and continuous effort, cannot by its very nature be cured within the initial ten (10) days, provided that such cure is commenced during the initial ten-day period and is diligently prosecuted to completion); or

(iii) Sublessee becomes bankrupt or insolvent or files any debtor proceedings or takes or has taken against it in any court, pursuant to any statute, either of the United States or of any state, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Sublessee's property and such petition shall not be dismissed within thirty (30) days following such filing; or if Sublessee makes an assignment for the benefit of creditors, or petitions for or enters into

an arrangement; or if Sublessee shall suffer this Sublease to be taken under any writ of execution.

(b) Following an Event of Default, Sublessor shall have the following remedies in addition to those other remedies at law or in equity which are not inconsistent therewith:

(i) Sublessor may terminate this Sublease and forthwith repossess the Subleased Premises without demand or notice of any kind to Sublessee and remove all persons or property therefrom, and be entitled to recover forthwith as damages a sum of money equal to the total of (A) the cost of recovering the Subleased Premises, (B) the unpaid Rent and Additional Rent owed at the time of termination, plus interest thereon from the due date at the Interest Rate, (C) an amount equal to the then present value (determined by discounting future amounts at an interest rate of six percent (6%)) of the balance of the Sublease Rent for the remainder of the Term, and (D) any other sum of money and damages owed by Sublessee to Sublessor; or

(ii) Sublessor may terminate Sublessee's right of possession without terminating this Sublease and may repossess the Subleased Premises by any lawful means without demand or notice of any kind to Sublessee (including any notice to quit) and remove all persons or property therefrom (Sublessee hereby waiving any claim by reason of such reentry, repossession or removal or by issuance of any distress warrant or writ or sequestration), in which event Sublessor may, but shall be under no obligation to do so, relet for the account of Sublessee for such rent and upon such terms as shall be satisfactory to Sublessor. For the purpose of such reletting Sublessor is authorized to decorate or to make any improvements, repairs, changes, alterations or additions in or to the Subleased Premises that may be appropriate, and (i) if Sublessor does not relet the Subleased Premises, or (ii) if relet and a sufficient sum shall not be realized from such reletting (after paying the unpaid amounts due hereunder earned but unpaid at the time of reletting plus interest thereon at the maximum rate permitted by applicable law, the cost of recovering possession, all of the costs and expenses of such decorations, improvements, repairs, changes, alterations and additions, brokerage fees, agent's commissions, attorneys' fees, and all other expenses of such reletting and of the collection of the rent accruing therefrom) to satisfy the Sublease Rent provided for in this Sublease to be paid, then Sublessee shall pay to Sublessor as damages a sum equal to the amount of the Sublease Rent for such period or periods, or if the Subleased Premises have been relet, Sublessee shall satisfy and pay any such deficiency upon demand therefor from time to time. Sublessee agrees that Sublessor may file suit to recover any sums falling due under the terms of this Section 10(b) from time to time on one or more occasions without Sublessor being obligated to wait until expiration of the term of this Sublease, and that no delivery or recovery of any portion due Sublessor hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Sublessor, nor shall such reletting be construed as an election on the part of Sublessor to terminate this Sublease unless a written notice of such intention be given to Sublessee by Sublessor. Notwithstanding any such reletting without termination, Sublessor may at any time thereafter elect to terminate this Lease for such previous breach; or

(iii) Sublessor may re-enter the Subleased Premises and cure any default of Sublessee, in which event Sublessee shall reimburse Sublessor, as Additional Rent, for all actual costs and expenses that Sublessor may incur to cure such default.

(c) An election by Sublessor of its remedies to terminate Sublessee's right of possession under this Section 10 shall not prohibit Sublessor from subsequently exercising its rights to terminate the Sublease under subsection (b) (i) above.

(d) Under this Section 10, any notice to Sublessee from Landlord shall be deemed a notice from Sublessor and the time periods specified herein shall begin to run from the earliest date of notice received by Sublessee.

(e) All rights and remedies of Sublessor enumerated in this Sublease shall be cumulative and shall not exclude any other right or remedy allowed by law. These rights and remedies may be exercised and enforced concurrently, whenever and as often as necessary.

(f) Should Sublessor be in default under the terms of the Sublease, Sublessor shall have reasonable and adequate time in which to cure the same after written notice to Sublessor by Sublessee. Sublessor shall promptly forward to Sublessee any default or termination notice with respect to the Prime Lease received by Sublessor.

11. Notice. Unless otherwise provided in this Sublease, any notice, tender, or delivery to be given by either party to the other may be effected by personal delivery in writing, via fax, United States Postal Service certified delivery or delivery via United Parcel Service, Federal Express or similar carrier. Sublessee shall forward to Sublessor a copy of any notice Sublessee either receives from or sends to Landlord. All notices shall be addressed to the attention of (or sent to such other address as any party shall specify to the other party pursuant to the provisions of this Section 15):

If to Sublessor:

If to Sublessee:

1111 Louisiana St.
Houston, Texas 77002
Facsimile: (713) _____

1111 Louisiana St.
Houston, Texas 77002
Facsimile: (713) _____

12. Governing Law. This Sublease shall be construed under and in accordance with the laws of the State of Texas without regard to the conflicts of law principles thereof.

13. Miscellaneous. This Sublease shall be governed by the laws of the State of Texas and in the event any legal action is filed to enforce this Sublease, the prevailing party shall be entitled to recover reasonable attorneys' fees, court costs, and other expenses incidental and necessary to the enforcement of this Sublease; provided, however, that Sublessee shall have no right, privilege or authority to bring any claim or lawsuit directly against Landlord (any claim or suit arising out of this Sublease asserted by Sublessee must be brought only against Sublessor).

Time is of the essence. This Sublease represents the entire agreement between the parties relative to the Sublease Premises and any other rights granted pursuant to this Sublease and may not be modified or amended unless in writing and signed by the party to be bound thereby.

14. Non-Waiver by Either Party. Failure by either party to complain of any action, non-action or default of the other party shall not constitute a waiver of any aggrieved party's rights hereunder. Waiver by either party of any right for any default of the other party shall not constitute a waiver of any right for either a subsequent default of the same obligation or for any other default, past, present or future.

15. Counterparts. This Sublease may be executed concurrently in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[End of text.]

THIS SUBLEASE AGREEMENT is executed as of the Effective Date.

SUBLESSOR:
CENTERPOINT ENERGY SERVICE
COMPANY, LLC

SUBLESSEE:

By: -----

By: -----

Name: -----

Title: -----

Title: -----

Title: -----

EXHIBIT A

Sublease Premises

[to be attached]

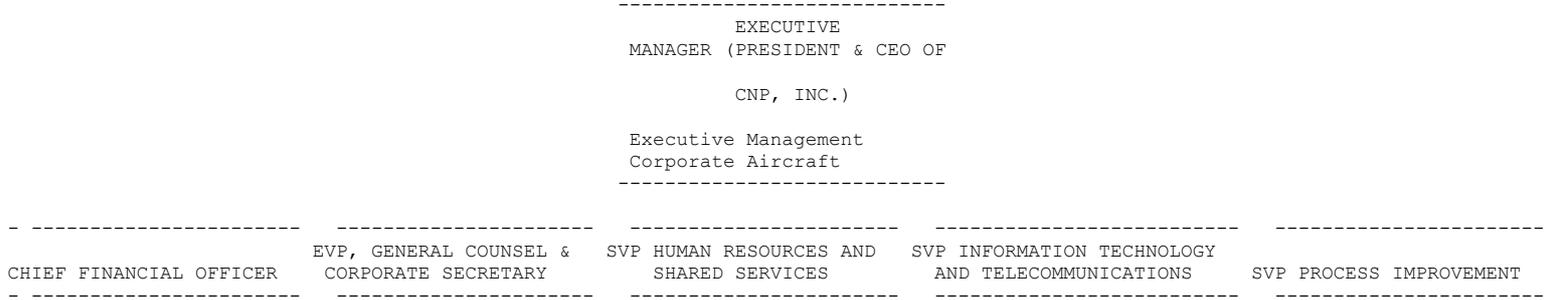
E-8 - Exhibit A to Form of Sublease

EXHIBIT B

Prime Lease

[to be attached]

CenterPoint Energy Services Company, LLC
Functional Organization Chart



EXECUTIVE
MANAGER (PRESIDENT & CEO OF

CNP, INC.)

Executive Management
Corporate Aircraft

CHIEF FINANCIAL OFFICER	EVP, GENERAL COUNSEL & CORPORATE SECRETARY	SVP HUMAN RESOURCES AND SHARED SERVICES	SVP INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS	SVP PROCESS IMPROVEMENT
Chief Accounting Officer	Legal	Human Resources	IT Administration LAN Services	
Comptroller	* Claims	* Employee Benefits	SAP	
* Financial Accounting and reporting	* Corp. Secretary/ Board of Directors	* Executive Benefits (not billed)	* SAP Energy Delivery	
* Revenue Accounting		* Compensation	* SAP Payroll	
* Plant Accounting	Regulatory Relations	* Workforce Planning	* SAP Finance	
* Gas Allocation & analysis	-----	* Organizational Effectiveness	* SAP Customer Care System	
Chief Risk Officer	* Regulatory Policy	* Learning & Organizational Development	* SAP Security	
* Risk Control	* Regulatory Proceedings	* AAP, Diversity, Policies	* SAP Materials & Purchasing	
* Gas Contract Administration	* Regulatory Relations--Austin	* Labor Relations	Data Security (network security, data security and disaster recovery)	
* Commercial Credit		* HR Communications	Solutions Delivery (SD)	
Internal Auditing	Governmental Relations	* Wellness Center	-----	
Tax	-----	* HR Houston Gas Ops	* Data services	
* Federal Tax	* State Relations	* HR Arkla/Entex	* Energy Delivery support	
* State & local Tax	* Local Relations	* HR Texas Genco	* Corporate Applications support	
* Property Tax	* Legislative Advocacy (not billed)	* HR Corporate Services	* Arkla Application support	
Treasurer		* HR Finance & IT	* Pipelines support	
-----		* HR TDU & IT	E-Mail Services	
* Financing			Desktop Administration	
* Cash Management		Shared Services	Help Desk	
* Corporate Risk Management (Insurance)		-----	Enterprise Operations (mainframe support)	
* Investor Services (transfer agent function)		* Real Estate & Facilities Mgt.	E- business	
		* Project Management	-----	
		* Financial Services	Telecommunications	
Investor Relations		* Payroll	-----	
-----		* Check printing	* all center operations	
Strategic Planning		* Remittance Process.	* Data Circuit management	
-----		* Bank recon./escheat	* Radio services	
* M&A, Divestitures (not billed)				

EXECUTIVE
MANAGER (PRESIDENT & CEO OF

CNP, INC.)

Executive Management
Corporate Aircraft

----- CHIEF FINANCIAL OFFICER -----	----- EVP, GENERAL COUNSEL & CORPORATE SECRETARY -----	----- SVP HUMAN RESOURCES AND SHARED SERVICES -----	----- SVP INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS -----	----- SVP PROCESS IMPROVEMENT -----
---	---	--	--	---

- | | | | | |
|--|--|---|--|--|
| | | <ul style="list-style-type: none"> * Corp. travel * Office Support Services Houston Mail Services Customer Bills Appliance Services Record Archives Forms Graphics Office Supplies Copy Centers Copiers * Purchasing & Logistics LDC Purchasing Support Gas Distribution & Transportation Mgt Corporate Purchasing Investment Recovery * Corporate Security Patrol Services Central Monitoring Travis Tower Security * Arkla Real Estate & Facilities Management * Arkla Office Support Services | <ul style="list-style-type: none"> * Telecom movies and changes * Arkla Telecommunications | |
|--|--|---|--|--|

December 3, 2003

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: CenterPoint Energy, Inc. (File No. 070-10162)

Dear Ladies and Gentlemen:

I am writing in reference to the Application-Declaration on Form U-1 in File No. 070- 10162, as amended (the "Application"), under the Public Utility Holding Company Act of 1935, as amended (the "1935 Act"), filed by CenterPoint Energy, Inc. and Utility Holding, LLC (collectively, the "Applicants"), seeking authority in connection with the operation of a service company (the "Service Company").

I have acted as counsel to Applicants in connection with the filing of the Application. All capitalized terms used herein but not defined herein shall have the meaning ascribed to them in the Application. I am a member of the State Bar of Texas.

In connection with this opinion, I or attorneys in whom I have confidence have examined originals or copies, certified or otherwise identified to my satisfaction, of such records and such other documents, certificates and corporate or other records as I have deemed necessary or appropriate as a basis for the opinions expressed in this letter. In my examination, I have assumed the genuineness of all signatures, the legal capacity of all persons, the authenticity of all documents submitted to me as originals, the conformity to original documents of documents submitted to me as certified or photostatic copies and the authenticity of the originals of such copies. As to various questions of fact material to such opinions, I have, when relevant facts were not independently established, relied upon statements contained in the Application.

The opinions expressed below are subject to the following assumptions, qualifications, limitations, conditions and exceptions:

(a) The Commission shall have duly entered an appropriate order or orders with respect to the proposed Service Company, as described in the Application, permitting the Application to become effective under the 1935 Act and the rules and regulations thereunder, and the proposed Service Company is operated in accordance with the Application and the Commission's orders.

(b) No act or event other than as described herein shall have occurred subsequent to the date hereof which would change the opinions expressed.

(c) The Applicants will at the time of the operation of the proposed Service Company be incorporated or validly formed business entities in the jurisdictions in which they are domiciled.

Based upon the foregoing and subject to the assumptions, qualifications, limitations, conditions and exceptions set forth herein, it is my opinion that, in the event that the proposed Service Company is operated in accordance with the Application:

(a) all state laws applicable to the proposed Service Company will have been complied with;

(b) the issuer of any securities proposed in the Application is validly organized and duly existing; and

(c) the operation of the proposed Service Company will not violate the legal rights of the holders of any securities issued by the Applicants or any of their respective subsidiaries and associate companies.

I hereby consent to the filing of this opinion as an exhibit to the Application.

This opinion speaks as of the date hereof, and I disclaim any obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to my attention or any change in laws that may hereafter occur or to advise you of any changes that occur after the date hereof.

This opinion is intended to be for the benefit of the Securities and Exchange Commission and may be relied upon only by it. It may not be relied upon by any other person or for any other purpose.

Sincerely,

/s/ Rufus S. Scott

Rufus S. Scott

