



---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 20, 2008**

---

**CENTERPOINT ENERGY, INC.**

(Exact name of registrant as specified in its charter)

**Texas**  
(State or other jurisdiction  
of incorporation)

**1-31447**  
(Commission File Number)

**74-0694415**  
(IRS Employer  
Identification No.)

**1111 Louisiana  
Houston, Texas**  
(Address of principal executive offices)

**77002**  
(Zip Code)

Registrant's telephone number, including area code: **(713) 207-1111**

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

*Short Term Incentive Plan*

On February 20, 2008, the Compensation Committee of the Board of Directors of CenterPoint Energy, Inc. (the “Company”) determined performance targets and potential payouts for 2008 under the Company’s short term incentive plan, which provides annual cash awards based on achievement of specified performance goals. The Compensation Committee increased Mr. McClanahan’s target award under this plan from 90% of his earnings to 100%, Mr. Kelley’s from 60% to 70% and the other named executive officers from 60% to 75% for 2008. The performance metrics for 2008 are consistent with the previously disclosed terms of the plan in all material respects.

*Long-Term Incentive Plan*

On February 20, 2008, the Compensation Committee authorized awards of performance shares and stock with performance goals for the 2008 to 2010 performance cycle under the Company’s long term incentive plan. The terms of the awards for the 2008 to 2010 performance cycle are consistent with the previously disclosed terms of the plan in all material respects, except for the addition of modified cash flow as a third performance metric for performance share awards. Metrics related to total shareholder return and operating income remain unchanged. The modified cash flow metric was added to measure an additional dimension of business performance in the measurement period. One-third of the performance share payout opportunity for performance share awards for the 2008 to 2010 performance cycle will be based on each of the three performance metrics.

In addition, the Compensation Committee increased the target award under this plan for the 2008 to 2010 performance cycle from 125% of his earnings to 135% for each of Messrs. Whitlock and Rozzell, from 100% to 135% for Mr. Standish and from 90% to 110% for Mr. Kelley.

The Compensation Committee also approved new forms of agreement under the Company’s long-term incentive plan for performance share awards and stock awards with performance goals to bring the forms into compliance with the requirements of Internal Revenue Code Section 409A and the regulations promulgated thereunder (“Section 409A”). Forms of agreement for performance share awards and stock awards with performance goals are attached hereto as Exhibits 10.1 and 10.2, respectively and are incorporated by reference herein.

*Deferred Compensation Plan*

On February 21, 2008, the Company entered into the CenterPoint Energy 2005 Deferred Compensation Plan (the “Plan”), under which the Company’s eligible key employees and non-employee directors may elect to defer each year a percentage of up to 100% of salary and/or short term incentive compensation, in the case of employees, and director fees, in the case of directors. The Plan replaces the CenterPoint Energy, Inc. Deferred Compensation Plan in effect as of December 31, 2007 (the “Prior Plan”) and was adopted to comply with the requirements of Section 409A. The Plan is effective as of January 1, 2008. Other than as necessary to comply with Section 409A, the benefits and terms of the Plan are substantially the same as the benefits and terms of the Prior Plan. Accordingly, the Plan is an “unfunded” plan for state and federal tax purposes, and interest under the Plan accrues on deferrals at a rate adjusted annually equal to the average yield during the year of the Moody’s Long-Term Corporate Bond Index plus two percent.

In addition, the Prior Plan has been amended to rename the plan the CenterPoint Energy 1989 Deferred Compensation Plan and to freeze the Prior Plan with respect to new participation and contributions as of December 31, 2007. Effective January 1, 2008, obligations with respect to compensation deferred under the Prior Plan after December 31, 2004, along with all associated earnings, were transferred to the Plan and will be maintained and distributed under the Plan. Accordingly, effective after December 31, 2007, only benefits that are exempt from Section 409A will be maintained under, and paid from, the Prior Plan, in accordance with the terms of the Prior Plan as in effect on October 3, 2004.

---

The foregoing descriptions of the Plan and the amendment to the Prior Plan do not purport to be complete and are qualified in their entirety by reference to the Plan and the amendment to the Prior Plan, which are attached hereto as Exhibits 10.3 and 10.4, respectively and are incorporated by reference herein..

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

The following exhibits are filed pursuant to Item 5.02:

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Performance Share Award Agreement for 20XX — 20XX Performance Cycle under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
10.2	Form of Stock Award Agreement (With Performance Goal) under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
10.3	CenterPoint Energy 2005 Deferred Compensation Plan (effective January 1, 2008).
10.4	First Amendment to CenterPoint Energy, Inc. Deferred Compensation Plan (as amended and restated effective January 1, 2003).

---

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTERPOINT ENERGY, INC.

Date: February 25, 2008

By: /s/ Walter L. Fitzgerald

Walter L. Fitzgerald  
Senior Vice President and  
Chief Accounting Officer

---

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Performance Share Award Agreement for 20XX — 20XX Performance Cycle under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
10.2	Form of Stock Award Agreement (With Performance Goal) under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
10.3	CenterPoint Energy 2005 Deferred Compensation Plan (effective January 1, 2008).
10.4	First Amendment to CenterPoint Energy, Inc. Deferred Compensation Plan (as amended and restated effective January 1, 2003).

**LONG-TERM INCENTIVE PLAN OF  
CENTERPOINT ENERGY, INC.  
PERFORMANCE SHARE AWARD AGREEMENT  
2008 – 2010 PERFORMANCE CYCLE**

Pursuant to this Award Agreement, CenterPoint Energy, Inc. (the “Company”) hereby grants to «FIRST\_NAME» «LAST\_NAME» (the “Participant”), an employee of the Company, target performance shares of Common Stock (the “Target Performance Shares”), such number of shares being subject to adjustment as provided in Section 14 of the Long-Term Incentive Plan of CenterPoint Energy, Inc. (the “Plan”), conditioned upon the Company’s achievement of the Performance Goals over the course of the 2008 – 2010 Performance Cycle pursuant to the Plan, and subject to the following terms and conditions:

**1. Relationship to the Plan; Definitions.** This grant of Target Performance Shares is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Committee and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, it is hereby acknowledged and agreed that the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan. References to the Participant herein also include the heirs or other legal representatives of the Participant. For purposes of this Award Agreement:

“**Achievement Percentage**” means the percentage of achievement determined by the Committee at the end of the Performance Cycle in accordance with Section 3 that reflects the extent to which the Company achieved the Performance Goals during the Performance Cycle applicable to this Award Agreement.

“**Change in Control Closing Date**” means the date a Change in Control is consummated.

“**Disability**” means (i) disability within the meaning of Treasury Regulation § 1.409A-3(i)(4) (or any successor regulation) and (ii) the Participant is both eligible for and in receipt of benefits under the Company’s long-term disability plan.

“**Employment**” means employment with the Company or any of its Subsidiaries.

“**Performance Cycle**” means the period from January 1, 2008 to December 31, 2010.

“**Performance Goals**” means the standards established by the Committee to determine in whole or in part whether the Target Performance Shares shall be earned, which are attached hereto and made a part hereof for all purposes.

“**Performance Shares**” means the shares of Common Stock potentially deliverable to the Participant pursuant to this Award Agreement.

«FIRST\_NAME» «LAST\_NAME»

**“Retirement”** means Separation from Service on or after attainment of age 55 and with at least five years of service with the Company.

**“Retirement Eligible”** means the Participant (i) is age 55 or older and (ii) has at least five years of service with the Company on or after the commencement of the first year of the Performance Cycle, but prior to the commencement of the last year of the Performance Cycle.

**“Section 409A”** means Code Section 409A and the Treasury regulations and guidance issued thereunder.

**“Separation from Service”** means separation from service with the Company and all its Subsidiaries within the meaning of Treasury Regulation § 1.409A-1(h) (or any successor regulation).

**“Specified Employee”** has the meaning of that term under Code Section 409A(a)(2)(B)(i).

**“Target Performance Shares”** means the actual number of Performance Shares initially granted to the Participant pursuant to this Award Agreement, with such number of Performance Shares to be awarded to the Participant at the close of the Performance Cycle if the Company attains an Achievement Percentage of 100%.

**“Vested Performance Shares”** means the shares of Common Stock awarded to the Participant following the Participant’s satisfaction of the vesting provisions of Section 4 and, if applicable, the determination by the Committee of the extent to which the Company has achieved the Performance Goals for the Performance Cycle pursuant to Section 3.

**2. Establishment of Target Performance Share Account.** The grant of Target Performance Shares pursuant to this Award Agreement shall be implemented by a credit to a bookkeeping account maintained by the Company evidencing the accrual in favor of the Participant of the unfunded and unsecured right to receive shares of Common Stock of the Company, which right shall be subject to the terms, conditions and restrictions set forth in the Plan and to the further terms, conditions and restrictions set forth in this Award Agreement.

**3. Award Opportunity.** The Performance Goals established for the Performance Cycle are attached hereto and made a part hereof for all purposes. Except as otherwise provided in Sections 4(b) and 5, the number of Performance Shares awarded to the Participant shall be the product of the number of Target Performance Shares and the Achievement Percentage that is based upon the Committee’s determination of whether and to what extent the Performance Goals have been achieved during the Performance Cycle.

No later than 60 days after the close of the Performance Cycle, the Committee shall determine the extent to which each Performance Goal has been achieved. If the Company has performed at or above the threshold level of achievement for a Performance Goal, the Achievement Percentage shall be between 50% and 150%, with a target level of achievement resulting in an Achievement Percentage of 100%. In no event shall the Achievement Percentage exceed 150%. The combined level of achievement is the sum of the weighted achievements of the Performance Goals as approved by the Committee. Upon completing its determination of the level at which the

«FIRST\_NAME» «LAST\_NAME»

Performance Goals have been achieved, the Committee shall notify the Participant of the number of Vested Performance Shares that will be issued to the Participant pursuant to Section 6.

#### **4. Vesting of Performance Shares.**

(a) Unless earlier forfeited or vested in accordance with paragraph (b) or Section 5, the Participant's right to receive the Performance Shares shall vest as of the last day of the Performance Cycle. As soon as administratively practicable, but in no event later than 60 days, after the close of the Performance Cycle, the Committee shall deliver to the Participant the written notice required by Section 3 of the level at which the Performance Goals established for the Performance Cycle have been achieved.

(b) If the Participant has a Separation from Service prior to the last day of the Performance Cycle:

(i) due to termination by the Company or any of its Subsidiaries for any reason or due to voluntary resignation by the Participant, the Participant's right to receive the Performance Shares shall be forfeited in its entirety as of the date of such Separation from Service.

(ii) due to death, Disability, or Retirement, the Participant's right to receive the Target Performance Shares shall vest on the date of such Separation from Service in the proportion of the number of days elapsed in the Performance Cycle as of the date of Separation from Service by the total number of days in the Performance Cycle and shall be delivered to the Participant as soon as administratively practicable, but in no event later than 60 days, after the date of such Separation from Service, *provided, however*, that if the Participant is a Specified Employee as of the date of his or her Separation from Service, such delivery shall not be made until the date that is the earlier of (x) the first business day following the end of the six-month period commencing on the date of the Participant's Separation from Service or (y) the Participant's date of death. The Participant's right to receive additional Performance Shares shall be forfeited at such time.

**5. Distribution Upon a Change in Control.** Notwithstanding anything herein to the contrary and without regard to the Performance Goals, if there is a Change in Control of the Company, upon the Change in Control Closing Date, the Participant's right to receive the Performance Shares shall be settled by the distribution to the Participant of:

(a) shares of Common Stock equal to the Target Performance Shares; *plus*

(b) shares of Common Stock (rounded up to the nearest whole share) having a Fair Market Value equal to the amount of dividends that would have been declared on the number of such shares determined under clause (a) above during the period commencing at the beginning of the Performance Cycle and ending on the date immediately preceding the Change in Control Closing Date;

with such shares of Common Stock registered in the name of the Participant and delivered to the Participant on the Change in Control Payment Date (as defined below). In lieu of the foregoing distribution in shares, the Committee, in its sole discretion, may direct that such distribution be made, on the Change in Control Payment Date, to the Participant in a lump sum cash payment equal to:

«FIRST\_NAME» «LAST\_NAME»

(x) the product of (i) the Fair Market Value per share of Common Stock on the date immediately preceding the Change in Control Closing Date and (ii) the Target Performance Shares; *plus*

(y) the amount of dividends that would have been declared on the number of shares of Common Stock determined under clause (a) above during the period commencing at the beginning of the Performance Cycle and ending on the date immediately preceding the Change in Control Closing Date;

with such cash payment to be made on the Change in Control Payment Date. Such distribution, whether in the form of shares of Common Stock or, if directed by the Committee, in cash, shall satisfy the rights of the Participant and the obligations of the Company under this Award Agreement in full.

For purposes of this Section 5, the “Change in Control Payment Date” means the following:

(i) if the Change in Control of the Company (A) satisfies the definition of a change in control for purposes of Section 409A (“Section 409A Change in Control”) or (B) does not satisfy the definition of a Section 409A Change in Control, but the Participant is not Retirement Eligible as of the Change in Control Closing Date, then the Change in Control Payment Date shall be as soon as administratively practicable, but in no event later than 60 days, after the Change in Control Closing Date; and

(ii) if the Change in Control of the Company does not satisfy the definition of a Section 409A Change in Control and the Participant is Retirement Eligible, then the Change in Control Payment Date shall be as soon as administratively practicable, but in no event later than 60 days, after the earliest of (A) the date of the Participant’s Separation from Service, (B) the Participant’s date of death, or (C) January 1st of 2011; *provided, however*, that with respect to clause (A) above, if the Participant is a Specified Employee as of the date of his or her Separation from Service, then such payment shall not be made until the date that is the earlier of (x) the first business day following the end of the 6-month period commencing on the date of the Participant’s Separation from Service or (y) the Participant’s date of death.

#### **6. Payment of Award.**

(a) If the Participant’s right to receive Performance Shares has vested pursuant to Section 4, a number of shares of Common Stock equal to the number of Vested Performance Shares shall be registered in the name of the Participant and certificates representing such Common Stock shall be delivered to the Participant as soon as practicable, but in no event later than March 15th of the year following the end of the performance cycle, after the date the written notice required by Section 3 is delivered to the Participant by the Committee. The Company shall have the right to withhold applicable taxes from any such payment of Vested Performance Shares (including, but not limited to, from any amounts payable as provided in the following paragraph with respect to dividends) or from other compensation payable to the Participant at the time of such vesting and delivery pursuant to Section 11 of the Plan.

(b) Upon delivery of the Vested Performance Shares pursuant to paragraph (a), above, the Participant shall also be entitled to receive a cash payment equal to the sum of all dividends, if any, declared on the Vested Performance Shares after the commencement of the Performance Cycle but prior to the date the Vested Performance Shares are delivered to the Participant.

«FIRST\_NAME» «LAST\_NAME»

**7. Confidentiality.** The Participant agrees that the terms of this Award Agreement are confidential and that any disclosure to anyone for any purpose whatsoever (save and except disclosure to financial institutions as part of a financial statement, financial, tax and legal advisors, or as required by law) by the Participant or his or her agents, representatives, heirs, children, spouse, employees or spokespersons shall be a breach of this Award Agreement and the Company may elect to revoke the grant made hereunder, seek damages, plus interest and reasonable attorneys' fees, and take any other lawful actions to enforce this Award Agreement.

**8. Notices.** For purposes of this Award Agreement, notices to the Company shall be deemed to have been duly given upon receipt of written notice by the Corporate Secretary of CenterPoint Energy, Inc., 1111 Louisiana, Houston, Texas 77002, or to such other address as the Company may furnish to the Participant.

Notices to the Participant shall be deemed effectively delivered or given upon personal, electronic, or postal delivery of written notice to the Participant, the place of Employment of the Participant, the address on record for the Participant at the human resources department of the Company, or such other address as the Participant hereafter designates by written notice to the Company.

**9. Shareholder Rights.** The Participant shall have no rights of a shareholder with respect to the Performance Shares, unless and until the Participant is registered as the holder of shares of Common Stock.

**10. Successors and Assigns.** This Award Agreement shall bind and inure to the benefit of and be enforceable by the Participant, the Company and their respective permitted successors and assigns except as expressly prohibited herein and in the Plan. Notwithstanding anything herein or in the Plan to the contrary, the Performance Shares are transferable by the Participant to Immediate Family Members, Immediate Family Members trusts, and Immediate Family Member partnerships pursuant to Section 13 of the Plan.

**11. No Employment Guaranteed.** Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Company or any Subsidiary or any successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

**12. Compliance with Section 409A.** It is the intent of the Company and the Participant that the provisions of the Plan and this Award Agreement comply with Section 409A and will be interpreted consistent therewith.

**13. Compliance with Recoupment Policy.** Any amounts payable or paid under this Award Agreement are subject to the recoupment policy of the Company as in effect from time to time.

**14. Modification of Award Agreement.** Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company.

«FIRST\_NAME» «LAST\_NAME»

**LONG-TERM INCENTIVE PLAN OF  
CENTERPOINT ENERGY, INC.  
STOCK AWARD AGREEMENT  
(With Performance Goal)**

Pursuant to this Award Agreement, Centerpoint Energy, Inc. (the “Company”) hereby grants to «FIRST\_NAME» «LAST\_NAME» (the “Participant”), an employee of the Company, on [GRANT DATE] (the “Grant Date”), «RS» shares of Common Stock of the Company (the “Stock Award”), pursuant to the Long-Term Incentive Plan of CenterPoint Energy, Inc. (the “Plan”), conditioned upon the Company’s achievement of the Performance Goals established by the Committee over the course of the Vesting Period, with such number of shares being subject to adjustment as provided in Section 14 of the Plan, and further subject to the terms, conditions and restrictions described in the Plan and as follows:

**1. Relationship to the Plan; Definitions.** This Stock Award is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, which have been adopted by the Committee and are in effect on the date hereof. Except as defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, it is hereby acknowledged and agreed that the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan. References to the Participant herein also include the heirs or other legal representatives of the Participant. For purposes of this Award Agreement:

“**Change in Control Closing Date**” means the date a Change in Control is consummated.

“**Disability**” means (i) disability within the meaning of Treasury Regulation § 1.409A-3(i)(4) (or any successor regulation) and (ii) the Participant is both eligible for and in receipt of benefits under the Company’s long-term disability plan.

“**Employment**” means employment with the Company or any of its Subsidiaries.

“**Performance Goals**” means the standards established by the Committee to determine in whole or in part whether the shares of Common Stock under the Stock Award shall be earned, which are attached hereto and made a part hereof for all purposes.

“**Retirement**” means Separation from Service on or after attainment of age 55 and with at least five years of service with the Company.

“**Retirement Eligible**” means the Participant (i) is age 55 or older and (ii) has at least five years of service with the Company on or after the Grant Date, but prior to the calendar year in which the Vesting Date occurs.

«FIRST\_NAME» «LAST\_NAME»

“**Section 409A**” means Code Section 409A and the Treasury regulations and guidance issued thereunder.

“**Separation from Service**” means separation from service with the Company and all its Subsidiaries within the meaning of Treasury Regulation § 1.409A-1(h) (or any successor regulation).

“**Specified Employee**” has the meaning of that term under Code Section 409A(a)(2)(B)(i).

“**Vesting Date**” means [\_\_\_\_\_, 2011].

“**Vesting Period**” means the period commencing on the Grant Date and ending on the Vesting Date.

**2. Establishment of Stock Award Account.** The grant of shares of Common Stock of the Company pursuant to this Stock Award shall be implemented by a credit to a bookkeeping account maintained by the Company evidencing the accrual in favor of the Participant of the unfunded and unsecured right to receive such shares of Common Stock, which right shall be subject to the terms, conditions and restrictions set forth in the Plan and to the further terms, conditions and restrictions set forth in this Award Agreement. Except as otherwise provided in Section 10 of this Award Agreement, the shares of Common Stock credited to the Participant’s bookkeeping account may not be sold, assigned, transferred, pledged or otherwise encumbered until the Participant has been registered as the holder of such shares of Common Stock on the records of the Company, as provided in Section 5 or 6 of this Award Agreement.

**3. Vesting of Stock Award.** Unless earlier forfeited or vested in accordance with Section 4 below or receipt of a distribution pursuant to Section 5 below, the Participant’s right to receive shares of Common Stock (if any) under this Stock Award shall vest on the Vesting Date. No later than 60 days after the Vesting Date, the Committee shall determine the extent to which each Performance Goal has been achieved. Upon completing its determination of the level at which the Performance Goals have been achieved, the Committee shall notify the Participant of the number of shares of Common Stock (if any) under this Stock Award that will be issued to the Participant pursuant to Section 6. The Participant must be in continuous Employment during the Vesting Period in order for the Common Stock to vest; otherwise, all such shares shall be forfeited as of the date of the Participant’s Separation from Service, except as provided in Sections 4 and 5 below.

**4. Accelerated Vesting and Forfeiture.** If, prior to the end of the Vesting Period and prior to the Participant’s receipt of any distribution pursuant to Section 5 below, the Participant’s has a Separation from Service due to (a) death, (b) Disability, or (c) Retirement, then, without regard to the Performance Goals, this Stock Award shall vest on the date of the Separation from Service in an amount of Common Shares determined by multiplying (i) the total number of shares of Common Stock granted under this Award Agreement by (ii) a fraction, the numerator of which is the number of days that have elapsed from the Grant Date to the date of the Participant’s Separation from Service, and the denominator of which is the total number of days in the Vesting Period. Such vested shares of Common Stock shall be delivered to the

«FIRST\_NAME» «LAST\_NAME»

Participant as soon as administratively practicable, but in no event later than 60 days, after the date of the Participant's Separation from Service, *provided, however*, that if the Participant is a Specified Employee as of the date of his or her Separation from Service, such delivery shall not be made until the date that is the earlier of (x) the first business day following the end of the six-month period commencing on the date of the Participant's Separation from Service or (y) the Participant's date of death. All remaining unvested shares of Common Stock as of the date of the Participant's Separation from Service shall be forfeited as of such date.

**5. Distribution Upon a Change in Control.** Notwithstanding anything herein to the contrary, and without regard to the Performance Goals, if there is a Change in Control of the Company, upon the Change in Control Closing Date, the Participant's right to receive the unvested shares of Common Stock under this Award Agreement shall be settled by a distribution to the Participant of:

(a) all shares of Common Stock not previously vested or forfeited pursuant to Section 3 or Section 4 above, *plus*

(b) shares of Common Stock (rounded up to the nearest whole share) having a Fair Market Value equal to the amount of dividends that would have been declared on the number of shares of Common Stock determined under clause (a) above during the period commencing on the Grant Date and ending on the date immediately preceding the Change in Control Closing Date;

with such shares of Common Stock registered in the name of the Participant and certificates representing such Common Stock to be delivered to the Participant on the Change in Control Payment Date (as defined below). In lieu of the foregoing distribution in shares, the Committee, in its sole discretion, may direct that such distribution be made, on the Change in Control Payment Date, to the Participant in a lump sum cash payment equal to:

(x) the product of (i) the Fair Market Value per share of Common Stock on the date immediately preceding the Change in Control Closing Date and (ii) the number of shares of Common Stock not previously vested or forfeited pursuant to Section 3 or Section 4 above, *plus*

(y) the amount of dividends that would have been declared on the number of shares of Common Stock determined under clause (a) above during the period commencing on the Grant Date and ending on the date immediately preceding the Change in Control Closing Date;

with such cash payment to be made on the Change in Control Payment Date. Such distribution, whether in the form of shares of Common Stock or, if directed by the Committee, in cash, shall satisfy the rights of the Participant and the obligations of the Company under this Award Agreement in full.

For purposes of this Section 5, the "Change in Control Payment Date" means the following:

«FIRST\_NAME» «LAST\_NAME»

(i) if the Change in Control of the Company (A) satisfies the definition of a change in control for purposes of Section 409A (“Section 409A Change in Control”) or (B) does not satisfy the definition of a Section 409A Change in Control, but the Participant is not Retirement Eligible as of the Change in Control Closing Date, then the Change in Control Payment Date shall be as soon as administratively practicable, but in no event later than 60 days, after the Change in Control Closing Date; and

(ii) if the Change in Control of the Company does not satisfy the definition of a Section 409A Change in Control and the Participant is Retirement Eligible, then the Change in Control Payment Date shall be as soon as administratively practicable, but in no event later than 60 days, after the earliest of (A) the date of the Participant’s Separation from Service, (B) the Participant’s date of death, or (C) the Vesting Date; *provided, however*, that with respect to clause (A) above, if the Participant is a Specified Employee as of the date of his or her Separation from Service, then such payment shall not be made until the date that is the earlier of (x) the first business day following the end of the 6-month period commencing on the date of the Participant’s Separation from Service or (y) the Participant’s date of death.

**6. Payment of Award.** If the Participant has vested in the right to receive shares of Common Stock under this Stock Award, a number of shares of Common Stock equal to the number of vested shares of Common Stock under this Stock Award shall be registered in the name of the Participant and certificates representing such Common Stock shall be delivered to the Participant as soon as practicable, but in no event later than March 15th of the year following the year in which the Vesting Date occurs, after the date the written notice required by Section 3 is delivered to the Participant by the Committee. The Company shall have the right to withhold applicable taxes from any such payment of the Common Stock (including, but not limited to, from any amounts payable as provided in the following paragraph with respect to dividends) or from other compensation payable to the Participant at the time of such vesting and delivery pursuant to Section 11 of the Plan.

If the Common Stock became vested pursuant to Section 3 or Section 4 above, upon delivery of shares of Common Stock pursuant to the foregoing paragraph of this Section 6, the Participant shall also be entitled to receive a cash payment equal to the sum of all dividends, if any, declared on such shares of Common Stock after the Grant Date but prior to the date such shares of Common Stock are delivered to the Participant.

**7. Confidentiality.** The Participant agrees that the terms of this Award Agreement are confidential and that any disclosure to anyone for any purpose whatsoever (save and except disclosure to financial institutions as part of a financial statement, financial, tax and legal advisors, or as required by law) by the Participant or his or her agents, representatives, heirs, children, spouse, employees or spokespersons shall be a breach of this Award Agreement and the Company may elect to revoke the grant made hereunder, seek damages, plus interest and reasonable attorneys’ fees, and take any other lawful actions to enforce this Award Agreement.

**8. Notices.** For purposes of this Award Agreement, notices to the Company shall be deemed to have been duly given upon receipt of written notice by the Corporate

«FIRST\_NAME» «LAST\_NAME»

Secretary of CenterPoint Energy, Inc., 1111 Louisiana, Houston, Texas 77002, or to such other address as the Company may furnish to the Participant.

Notices to the Participant shall be deemed effectively delivered or given upon personal, electronic, or postal delivery of written notice to the Participant, the place of Employment of the Participant, the address on record for the Participant at the human resources department of the Company, or such other address as the Participant hereafter designates by written notice to the Company.

**9. Shareholder Rights.** The Participant shall have no rights of a shareholder with respect to the shares of Common Stock granted under this Stock Award, unless and until the Participant is registered as the holder of such shares of Common Stock.

**10. Successors and Assigns.** This Award Agreement shall bind and inure to the benefit of and be enforceable by the Participant, the Company and their respective permitted successors and assigns except as expressly prohibited herein and in the Plan. Notwithstanding anything herein or in the Plan to the contrary, the shares of Common Stock are transferable by the Participant to Immediate Family Members, Immediate Family Members trusts, and Immediate Family Member partnerships pursuant to Section 13 of the Plan.

**11. No Employment Guaranteed.** Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Company or any Subsidiary or any successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

**12. Compliance with Section 409A.** It is the intent of the Company and the Participant that the provisions of the Plan and this Award Agreement comply with Section 409A and will be interpreted consistent therewith.

**13. Compliance with Recoupment Policy.** Any amounts payable or paid under this Award Agreement are subject to the recoupment policy of the Company as in effect from time to time.

**14. Modification of Award Agreement.** Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company.

«FIRST\_NAME» «LAST\_NAME»

**CENTERPOINT ENERGY**  
**2005 DEFERRED COMPENSATION PLAN**  
(Effective as of January 1, 2008)

---

**CENTERPOINT ENERGY**  
**2005 DEFERRED COMPENSATION PLAN**  
(Effective as of January 1, 2008)

**TABLE OF CONTENTS**

ARTICLE I PURPOSES OF PLAN; DEFINITIONS; DURATION	Page 2
1.1 Purposes	2
1.2 Definitions	2
1.3 Term	4
ARTICLE II ADMINISTRATION	4
ARTICLE III PARTICIPATION	5
3.1 Eligibility of Employees and Directors	5
3.2 Designation of Participants	5
3.3 Election to Participate	5
3.4 Salary Deferral	5
3.5 Bonus Deferral	5
3.6 Director Fees Deferral	6
ARTICLE IV BENEFICIARY DESIGNATIONS; WITHHOLDING	6
4.1 Beneficiary Designations	6
4.2 Withholding of Taxes	7
ARTICLE V BENEFITS	7
5.1 Benefit Payments	7
5.2 Death	8
5.3 Disability	9
5.4 Payment Upon Separation from Service Prior to Age 55	9
5.5 Separation from Service During Participation Year	9
5.6 Delay of Payments to Certain Participants	9
5.7 Crediting of Interest	9
ARTICLE VI RIGHTS OF PARTICIPANTS	10
6.1 Limitation of Rights	10
6.2 Non-Alienation of Benefits	10
6.3 Prerequisites to Benefits	12
6.4 Nature of Employer's Obligation	12
6.5 Claims and Review Procedures	12
ARTICLE VII MISCELLANEOUS	13
7.1 Amendment or Termination of the Plan	13

	Page
7.2 Reliance Upon Information	13
7.3 Effective Date	14
7.4 Code Section 409A	14
7.5 Governing Law	14
7.6 Severability	14
7.7 Notice	14

**CENTERPOINT ENERGY**  
**2005 DEFERRED COMPENSATION PLAN**  
(Effective as of January 1, 2008)

**RECITALS:**

**WHEREAS**, CenterPoint Energy, Inc. (the “Company”), maintains the CenterPoint Energy, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2003 (the “Plan”), for the benefit of its eligible employees; and

**WHEREAS**, in response to the enactment of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), effective as of January 1, 2005, the Company in operation separated all Plan benefits earned and vested as of December 31, 2004 (“Grandfathered Benefits”) from all Plan benefits earned or vested after December 31, 2004 (“409A Benefits”); and

**WHEREAS**, the Company desires to bifurcate the Plan such that (1) the Grandfathered Benefits, along with all earnings attributable thereto, shall be maintained under and paid from a separate, frozen plan that is intended to be a “grandfathered” plan exempt from Code Section 409A, known as the CenterPoint Energy, Inc. 1989 Deferred Compensation Plan, and (2) the 409A Benefits, along with all earnings attributable thereto, shall be spun-off from the Plan and into, and maintained under and paid from, a newly established and separate plan that is intended to comply with the requirements of Code Section 409A, effective as of January 1, 2008;

**NOW, THEREFORE**, the Company hereby establishes this new plan to maintain and provide the 409A Benefits in the form of the CenterPoint Energy 2005 Deferred Compensation Plan, as herein set forth, effective as of January 1, 2008:

---

## ARTICLE I

### PURPOSES OF PLAN; DEFINITIONS; DURATION

1.1 Purposes. This CenterPoint Energy 2005 Deferred Compensation Plan for selected management and highly compensated employees is intended to aid certain of its employees in making more adequate provision for their retirement and is intended to be a “top-hat” plan under sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974 (“ERISA”).

1.2 Definitions. Each term below shall have the meaning assigned thereto for all purposes of this Plan unless the context requires a different construction.

“Beneficiary” means a person or persons, a trustee or trustees of a trust, or a partnership, corporation, limited liability partnership, limited liability company, or other entity designated by the Participant, as provided in Section 4.1, to receive any amounts distributed under the Plan after a Participant’s death.

“Board” means the Board of Directors of the Company.

“Bonus” means a formula or discretionary bonus or incentive compensation paid under a short-term or annual incentive plan maintained by the Company or a Subsidiary.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” means CenterPoint Energy, Inc., a Texas corporation, or a successor to CenterPoint Energy, Inc., in the ownership of substantially all of its assets.

“Commencement Date” means the first day of the Participation Year, with respect to which a Compensation deferral occurs.

“Committee” means the Benefits Committee or such other committee, which shall consist of five or fewer persons, as shall be appointed by the Board of Directors of the Company to administer the Plan pursuant to Article II hereof.

“Compensation” means the Salary and Bonus which an Employer pays its Employees, and the Director Fees paid to a Director.

“Director” means a non-Employee member of the Board.

“Director Fees” means the meeting attendance fees, retainer fees and committee chairman fees paid to a Director.

“Disability” means a physical or mental condition that qualifies as a total and permanent disability under the CenterPoint Energy, Inc. Long Term Disability Plan, as amended from time to time (or any successor plan thereto).

“Early Distribution” means the benefit payment option available to a Participant under Section 5.1(a) hereof.

“Early Retirement Date” means (i) with respect to an Employee, the first day of the month coincident with or next following his or her 60th birthday; and (ii) with respect to a Director, the first day of the month coincident with or next following his or her resignation or removal as a Director before his or her Normal Retirement Date.

“Employee” means any person, including an officer of any Employer (whether or not he or she is also a director thereof), who, at the time such person is designated a Participant hereunder, is employed by an Employer on a full-time basis, who is compensated for such employment by a regular Salary, and who, in the opinion of the Committee, is one of the officers or other key employees of the Employer in a position to contribute materially to the continued growth and development and to the future financial success of the Employer. Any Participant who is an Employee of a Subsidiary shall not be deemed to have terminated employment with an Employer for purposes of this Plan until the date upon which the Participant has a Separation from Service.

“Employer” means (i) the Company, (ii) each Subsidiary which has adopted the Plan with the consent of the Committee, and (iii) each other employing organization in which the Company has a direct or indirect ownership interest and which has been approved by the Committee as an Employer under the Plan, subject to the terms and conditions established by the Committee.

“Interest Crediting Rate” means, for a given Plan Year, a rate of interest equivalent to the average Moody’s Rate for such year plus two percentage points (2%).

“Moody’s Rate” means a rate of interest equal to the composite yield on Moody’s Long-Term Corporate Bond Yield Averages for the calendar month as determined from Moody’s monthly yield averages published by Moody’s Investor’s Service, Inc. (or any successor thereto), or, if such yield is no longer published, a substantially similar average selected by the Committee.

“Normal Retirement Distribution” means the benefit payment options available to a Participant under Section 5.1(b) hereof.

“Normal Retirement Date” means (i) with respect to an Employee, the first day of the month coincident with or next following his or her 65th birthday, and (ii) with respect to a Director, the first day of the month coincident with or next following his or her 70th birthday.

“Participant” means an Employee or a Director who has been designated by the Committee to participate in the Plan pursuant to Section 3.2 hereof and who has elected to participate in the Plan pursuant to Section 3.3.

“Participation Year” means a Plan Year commencing on or after January 1, 2005 during which (i) with respect to Compensation in the form of a Bonus, the Bonus would have been paid to the Participant if not deferred; (ii) with respect to Compensation in the

form of Salary, a Participant performs services for the Employer for a Salary; and (iii) with respect to Compensation in the form of Director Fees, a Participant performs services as a member of the Board for such fees.

“Plan” means the CenterPoint Energy 2005 Deferred Compensation Plan, effective as of January 1, 2008, and as set forth herein, as the same may hereafter be amended from time to time.

“Plan Year” means the calendar year (January 1st through December 31st).

“Salary” means a base salary or wages paid to a Participant by an Employer. The Salary of a Participant as reflected on the books and records of the Employer shall be conclusive.

“Separation from Service” means separation from service with the Company, all Employers and all Subsidiaries within the meaning of Treasury Regulation § 1.409A-1(h) (or any successor regulation), or, in the case of a Director, he or she ceases to be a member of the Board.

“Subsidiary” means a subsidiary corporation with respect to the Company as defined in Section 424(f) of the Code.

Words used in this Plan in the singular shall include the plural and in the plural the singular, and the gender of words used shall be construed to include whichever may be appropriate under any particular circumstances of the masculine, feminine or neuter genders.

1.3 Term. The effective date of the Plan, as amended and restated, is January 1, 2008 for Compensation deferred and benefits accrued under the Plan on and after January 1, 2005. The Plan shall continue until terminated by the Board of Directors of the Company. The Committee, in its sole discretion, may or may not authorize deferral of Compensation during the term of the Plan.

## ARTICLE II

### ADMINISTRATION

The Plan shall be administered by the Committee, which shall represent the Company and other Employers in all matters concerning the administration of the Plan. Members of the Committee may be Participants under the Plan, but no member may vote on any matter relating to his or her benefits under the Plan. The Committee shall have primary responsibility for the administration and operation of the Plan and shall have all powers necessary to carry out the provisions of the Plan, including the power to determine which Employees and Directors shall be Participants under the Plan and which Compensation may be subject to deferral. The determination of the Committee as to the construction, interpretation, or application of any terms and provisions of the Plan, including whether and when there has been a Separation from Service, shall be final, binding, and conclusive upon all persons.

ARTICLE III  
PARTICIPATION

3.1 Eligibility of Employees and Directors. An Employee must be a manager or a highly compensated (within the meaning of Section 414(q) of the Code) salaried employee of an Employer to be eligible to participate in the Plan. All Directors shall be eligible to participate in the Plan. The Committee may from time to time establish additional eligibility requirements for participation in the Plan.

3.2 Designation of Participants. Prior to the commencement of any Participation Year, the Committee shall designate and notify in writing the Employees and/or Directors who are eligible to defer Compensation under this Plan. A designation of an Employee or Director to participate with respect to Compensation for a particular Participation Year shall not automatically entitle such Participant to participate with respect to any other Participation Year.

3.3 Election to Participate. After an Employee or Director has been notified by the Committee that he or she is eligible to participate in the Plan he or she must notify the Committee, in the form and manner prescribed by the Committee, that he or she chooses to participate in the Plan. Such election to participate in the Plan shall be effective upon its receipt by the Committee (or its delegate) within the time periods and manner prescribed by the Committee or the Plan. A Participant's election (i) shall specify the type or types and the amount or amounts of Compensation that he or she wishes to defer and the manner of such deferral pursuant to Sections 3.4 through 3.6 hereof; (ii) shall specify, if the Participant so elects, that he or she wishes to receive an Early Distribution of benefits with respect to some or all deferrals for such Participation Year under Section 5.1(a) hereof; and (iii) shall specify the manner of Normal Retirement Distribution the Participant chooses with respect to such deferrals under Section 5.1(b) hereof.

3.4 Salary Deferral. A Participant's election to defer the payment of Salary must be made prior to the first day of the Plan Year in which the Salary is earned by the Participant. Such election will be irrevocable as of December 31 of the calendar year preceding the calendar year in which the Salary is earned.

A Participant may elect to defer up to 100% (or such lesser percentage designated by the Committee, in its sole discretion) of his or her annual Salary (after deduction of the amounts required to be withheld by the federal government or any state or local government and any other withholding obligations) with respect to a particular Participation Year. The amount of Compensation elected to be deferred under this Section 3.4 shall be withheld from the Participant's Salary during a Plan Year in equal amounts.

3.5 Bonus Deferral. A Participant's election to defer the payment of a Bonus that qualifies as "performance-based compensation" under Code Section 409A(4)(B) must be made no later than six months prior to the end of the performance period. Such election will be irrevocable as of the date that is six months prior to the end of the performance period in which the Bonus is earned.

A Participant's election to defer the payment of a Bonus that does not qualify as "performance-based compensation" under Code Section 409A(4)(B) must be made prior to the first day of the Plan Year in which the Bonus is earned. Such election will be irrevocable as of December 31 of the calendar year preceding the calendar year in which the Bonus is earned.

A Participant may elect to defer up to 100% (or such lesser percentage designated by the Committee, in its sole discretion) of his or her annual cash Bonus award (after deduction of the amounts required to be withheld by the federal government or any state or local government and any other withholding obligations) with respect to a particular Participation Year. The amount of Compensation elected to be deferred under this Section 3.5 shall be withheld from the Participant's Bonus otherwise payable during the Plan Year. If the amount of Bonus awarded to the Participant with respect to a Participation Year is less than the amount of Bonus which the Participant had elected to defer for such Participation Year, the entire amount of the Bonus awarded shall be deferred in accordance with this Section 3.5.

**3.6 Director Fees Deferral.** A Participant's election to defer the payment of Director Fees must be made prior to the first day of the Plan Year in which the Director Fees are earned by the Participant. Such election will be irrevocable as of December 31 of the Plan Year preceding the Participation Year with respect to which the Director Fees are earned.

A Participant may elect to defer up to 100% (or such lesser percentage designated by the Committee in its sole discretion) of each type of his or her annual Director Fees with respect to a particular Participation Year. The amount of Compensation elected to be deferred under this Section 3.6 shall not be paid but shall be withheld from the Participant's Director Fees otherwise earned and payable during the Plan Year.

## ARTICLE IV

### BENEFICIARY DESIGNATIONS; WITHHOLDING

**4.1 Beneficiary Designations.** Each person becoming a Participant shall file with the Committee (or its delegate), in the form and manner prescribed by the Committee, a designation of one or more Beneficiaries to whom distributions otherwise due the Participant shall be made in the event of his or her death while in the employ of the Company or serving on the Board or after Separation from Service but prior to the complete distribution of the benefits payable with respect to the Participant. Such designation shall be effective when received by the Committee. The Participant may from time to time revoke or change any such designation of a Beneficiary by notifying the Committee in the form and manner prescribed by the Committee. If there is no valid designation of the Beneficiary on file with the Committee at the time of the Participant's death, or if all of the Beneficiaries designated therein shall have predeceased the Participant or otherwise ceased to exist, the Beneficiary shall be, and any payment hereunder shall be made to, the Participant's spouse, if he or she survives the Participant, or otherwise to the Participant's estate. If the Beneficiary, whether under a valid beneficiary designation or under the preceding sentence, shall survive the Participant but die before receiving all payments hereunder, the balance of the benefits which would have been paid to the Beneficiary had he or she lived shall, unless the Participant's designation provided otherwise, be distributed to the Beneficiary's estate.

4.2 Withholding of Taxes. The Company may withhold from a payment any federal, state, or local employment and income taxes required by law to be withheld with respect to such payment and such sum as the Company may reasonably estimate as necessary to cover any taxes for which the Company may be liable and which may be assessed with regard to such payment.

## ARTICLE V

### BENEFITS

5.1 Benefit Payments. The benefit payments with respect to deferrals of Compensation for a specific Participation Year will be determined as set forth below:

(a) Early Distribution. At the time a Participant elects to defer Compensation for a Participation Year pursuant to Section 3.3 hereof, he or she may elect to receive an Early Distribution of benefits attributable to such Compensation during the Early Distribution Plan Year (as defined below). The Early Distribution will represent either (i) 50% or (ii) 100% of the Compensation deferred for that Participation Year. The Early Distribution shall be paid to Participant during the Plan Year elected by the Participant which is at least four years after the Participation Year in which the Compensation was deferred or, if earlier (and notwithstanding the Participant's election to the contrary), the year the Participant attains his or her Normal Retirement Date. Notwithstanding the foregoing, a Participant who has attained, or will attain, his or her Normal Retirement Date during the Participation Year is not permitted to receive an Early Distribution. A Participant may make only one Early Distribution election under this Plan for each Participation Year for each type of Compensation deferred under Sections 3.4, 3.5 and 3.6 hereof.

(b) Normal Retirement Distribution. At the time a Participant elects to defer Compensation for a Participation Year pursuant to Section 3.3 hereof, he or she must elect the form of payment of his or her potential Normal Retirement Distribution of benefits attributable to such Compensation, taking into account any Early Distribution election made by him under Section 5.1(a). The Participant may elect to receive a Normal Retirement Distribution in:

- (i) a lump-sum distribution of the amounts of Compensation deferred, minus any Early Distributions; or
- (ii) 15 annual installment payments of such Compensation, minus any Early Distributions.

Payment of a Normal Retirement Distribution will be made, if payable in a lump sum, in the January following the date of the Participant's Separation from Service on or after his or her Normal Retirement Date. Payment of a Normal Retirement Distribution will be made, if payable in 15 annual installments, commencing the month coincident with or next following the month in which the Participant has a Separation from Service on or after his or her Normal Retirement Date, and the remaining annual installments will be

paid in that same month in each of the remaining 14 years. If a Participant fails to make an election as to the manner in which a Normal Retirement Distribution will be paid, such Normal Retirement Distribution will be made in the form of a lump-sum distribution in accordance with this Section 5.1(b) as if the Participant had specifically so elected.

(c) Separation from Service On or After Age 55 and Prior to Early Retirement Date. Notwithstanding any provision of this Article V to the contrary, a Participant who has a Separation from Service on or after the first day of the month coincident with or next following the Participant's 55th birthday, but prior to his or her Early Retirement Date, shall receive his or her benefit under the Plan in 15 annual installment payments, with such payments commencing on the first day of the month coincident with or next following the month in which the Participant has a Separation from Service, and the remaining annual installments will be paid in that same month in each of the remaining 14 years; *provided, however*, that the Participant did not elect to receive his or her benefit under the Plan (i) in a lump-sum distribution or (ii) as a 100% Early Distribution. If a Participant, who meets the requirements of this Section 5.1(c), elected to receive his or her benefits under the Plan in a lump-sum distribution or as a 100% Early Distribution, then his or her benefit under the Plan shall be paid during the Plan Year immediately following the Plan Year in which the Participant has a Separation from Service.

(d) Separation from Service On or After Early Retirement Date and Prior to Normal Retirement Date. Any Participant who has a Separation from Service on or after his or her Early Retirement Date but prior to his or her Normal Retirement Date will (if he or she is living on the date of payment) receive a lump-sum distribution or 15 annual installment payments, in accordance with his or her election under Section 5.1(b) above. If such a Participant failed to make an election, he or she will be deemed to have elected a lump sum pursuant to Section 5.1(b) above.

## 5.2 Death.

(a) Death Prior to Commencement of Normal Retirement Distribution. If a Participant dies (i) prior to his or her (A) Normal Retirement Date and (B) Separation from Service or (ii) after his or her (A) Separation from Service and (B) Early Retirement Date, but in either event prior to the commencement of a Normal Retirement Distribution payable in 15 annual installments, then the payments otherwise described in Section 5.1 not theretofore made shall not be made and the Employer shall pay Participant's Beneficiary the sum or sums of Compensation actually deferred less an amount equal to any Early Distributions or other benefits paid prior to Participant's death. Payments made pursuant to this Section 5.2(a) shall be made within 90 days following the date of Participant's death.

(b) Death After Normal Retirement Date. If the Participant dies (i) after his or her Normal Retirement Date but prior to his or her Separation from Service, (ii) after his or her Separation from Service, provided the Participant had attained his or her Normal Retirement Date on or before the date of such Separation from Service, or (iii) after commencement of a Normal Retirement Distribution in the form of 15 annual installment payments, pursuant to Section 5.1, but prior to completion of all such payments, the

Company shall make (or continue to make) such payments provided for in Section 5.1 to the Participant's Beneficiary.

5.3 Disability. In the event of the Disability of a Participant while in the employ of an Employer or serving on the Board, the Participant shall be considered to have remained in the continuous employment of the Employer during such Disability until his or her Normal Retirement Date or earlier death. The benefits payable to such Participant under the Plan shall be paid in the amounts and at the times otherwise provided in Sections 5.1 and 5.2.

5.4 Payment Upon Separation from Service Prior to Age 55. If an Employee Participant has a Separation from Service for any reason other than death, retirement at or after his or her Normal Retirement Date or Early Retirement Date in accordance with the provisions of Section 5.1(b), 5.1(c), 5.1(d) or 5.1(e), a Normal Retirement Distribution payable in 15 annual installments, as described in Section 5.1(b), shall not be made, but the Company shall pay the Participant the sum or sums of Compensation actually deferred. Notwithstanding the foregoing, the amount payable under this Section 5.4 shall be reduced by amounts equal to any Early Distribution or other benefits paid prior thereto. Payments under this Section 5.4 shall be made within 90 days following the date of Participant's Separation from Service.

5.5 Separation from Service During Participation Year. If a Participant has a Separation from Service for any reason during the Participation Year for which Compensation that is in the form of Salary or Director Fees is to be deferred, no further deferrals shall be made for that Participation Year on and after the date of such Separation from Service. If a Participant has a Separation from Service for any reason during the Participation Year for which he or she has elected to defer the payment of a Bonus, such election shall become null and void with respect to any Bonus which has not become payable to the Participant as of the date of his or her Separation from Service.

5.6 Delay of Payments to Certain Participants. Notwithstanding any provision to the contrary in the Plan, if as of the date of the Participant's Separation from Service (other than by reason of death) the Participant has been identified by the Committee or its delegate as a "Specified Employee" (within the meaning of that term under Code Section 409A(a)(2)(B)) and the Company is a public company, then the payment specified under Article V on account of Separation from Service shall not be paid to the Participant until the later of (a) the date specified in Article V or (b) the earlier of (i) the expiration of the six-month period measured from the date of the Participant's Separation from Service or (ii) the date of the Participant's death. In the event that a payment is delayed under this Section 5.6, the Company shall pay to the Participant, as of the date it pays the delayed payment, simple interest on the payment amount at the applicable interest rate (as determined under Section 5.7(b)) for such payment, based on the period the payment was delayed beyond the payment date specified in Article V.

5.7 Crediting of Interest. With respect to any distribution pursuant to Sections 5.1 through 5.4 of the Plan, interest shall be credited upon the Participant's Compensation in accordance with this Section 5.7.

(a) Applicable Compensation Balance for Crediting of Interest. Any interest which accrues on a Participant's deferrals of Compensation pursuant to Article III shall

accrue from January 1 of each Participation Year on the total amount of Compensation deferred during the Participation Year.

(b) Applicable Interest Rate. A Participant's Compensation shall be credited with interest, compounded annually from the Participant's Commencement Date through the date immediately prior to the first payment to the Participant (or the Participant's Beneficiary in the case of death). The applicable interest rate shall be the Interest Crediting Rate; provided, however, that the applicable interest rate with respect to a distribution pursuant to Section 5.4 shall be the Moody's Rate (in lieu of the higher Interest Crediting Rate).

(c) Interest During Installment Period. For purposes of determining a benefit payable in the form of 15 installment payments under Section 5.1(b), the Interest Crediting Rate shall be the Interest Crediting Rate in effect for the Plan Year immediately prior to which an Employee Participant attains age 65 or a Director Participant attains age 70. For purposes of determining a benefit payable in the form of 15 installment payments under Section 5.1(c), the Interest Crediting Rate shall be the Interest Crediting Rate in effect for the Plan Year immediately prior to which a Participant has a Separation from Service. The Interest Crediting Rate as determined under this Section 5.7(c) will constitute the applicable Interest Crediting Rate with respect to the installment payments for all years after the initial installment payment.

## ARTICLE VI

### RIGHTS OF PARTICIPANTS

6.1 Limitation of Rights. Nothing in this Plan shall be construed to:

(a) Give any Employee of an Employer or any Director any right to be designated a Participant in the Plan other than in the sole discretion of the Committee;

(b) Limit in any way the right of the Employer to terminate a Participant's employment at any time; or

(c) Be evidence of any agreement or understanding, express or implied, that the Company or any other Employer will employ a Participant in any particular position or at any particular rate of remuneration.

6.2 Non-Alienation of Benefits. No right or benefit under this Plan shall be subject to anticipation, alienation, transfer, sale, assignment, pledge, encumbrance or charge, whether voluntary, involuntary, direct or indirect, by operation of law or otherwise, including, without limitation, a change in beneficial interest of any trust and a change in ownership of a corporation or partnership, but not including a change of legal and beneficial title of a right or benefit resulting from the death of any Participant or the spouse of any Participant (any such proscribed transaction hereinafter a "Disposition") and any attempted Disposition will be null and void. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of any Participant or other person entitled to such benefits. Notwithstanding

any provision of the Plan to the contrary, a benefit under the Plan may be paid to an alternate payee as required under a domestic relations order (as defined in Code Section 414(p)(1)(B)), approved by the Committee, consistent with the requirements of Code Section 409A and the Treasury regulations issued thereunder. The foregoing provisions of this Section 6.2 shall also not apply to an irrevocable Disposition of a right or benefit under this Plan to a "Permitted Assignee," as defined below, by (i) a Participant age 55 or older (an "Eligible Participant"), or (ii) a "Permitted Assignee," as defined below, who has received an assignment from an Eligible Participant pursuant to this sentence.

(a) Permitted Assignee. The term "Permitted Assignee" shall mean:

- (i) The Eligible Participant;
- (ii) A spouse of the Eligible Participant;
- (iii) Any person who is a lineal ascendant or descendant of the Eligible Participant or the Eligible Participant's spouse;
- (iv) Any brother or sister of the Eligible Participant;
- (v) Any spouse of any individual described in subparagraph (iii) or (iv);
- (vi) A trustee of any trust which, at the applicable time, is 100% actuarially held for a Permitted Assignee or Assignees (as defined in Section 6.2(c));
- (vii) Any corporation in which, at the applicable time, each class of stock is 100% owned by a Permitted Assignee or Permitted Assignees;
- (viii) Any partnership in which, at the applicable time, each class of partnership interest is 100% owned by a Permitted Assignee or Permitted Assignees; or
- (ix) Any limited liability company or other form of incorporated or unincorporated business organization in which each class of stock, membership or other equity interest is 100% owned by a Permitted Assignee or Assignees.

(b) Subsequent Assignees. This Section 6.2 shall be fully applicable to all Permitted Assignees, and the provisions of this Section 6.2 shall be fully applicable to any right or benefit transferred by an Eligible Participant to any Permitted Assignee as if such Permitted Assignee were an Eligible Participant; *provided, however*, that no Permitted Assignee shall be deemed an Eligible Participant for determining the persons who constitute Permitted Assignees under Section 6.2(a). Any Permitted Assignee acquiring a right or benefit under this Plan shall execute and deliver to the Committee an agreement pursuant to which such Permitted Assignee agrees to be bound by all of the

terms and provisions of the Plan, provided that the failure to execute and deliver such an agreement shall not be deemed to relieve such Permitted Assignee of the restrictions imposed by the Plan. Any attempted Disposition of a right or benefit under this Plan in breach of this Section 6.2, whether voluntary, involuntary, by operation of law or otherwise shall be null and void.

(c) Actuarially Held. In making the determination whether a trust is 100% actuarially held for Permitted Assignee(s), a trust, at the applicable point in time, is 100% actuarially held for Permitted Assignee or Assignees when 100% of the actuarial value of the beneficial interests of the trust, except as provided in the following sentence, are held for a Permitted Assignee or Permitted Assignees. For purposes of making the determination described above, the possibility that an interest in a trust may be appointed pursuant to a special or general power of appointment shall be ignored; provided, that the actual exercise of any such power of appointment shall not be ignored.

6.3 Prerequisites to Benefits. No Participant, nor any Beneficiary or other person claiming through a Participant, shall have any right or interest in the Plan, or any benefits hereunder, unless and until all the terms, conditions, and provisions of the Plan which affect such Participant or such other person shall have been complied with as specified herein.

6.4 Nature of Employer's Obligation. This Plan is intended to be, and shall be construed as, an unfunded plan maintained by each Employer primarily for the purpose of providing deferred compensation for a select group of its management or highly compensated salaried employees. The benefits provided under this Plan shall be a general, unsecured obligation of the Employer payable solely from the general assets of the Employer, and neither the Participant nor the Participant's Beneficiary or estate shall have any interest in any assets of the Employer by virtue of this Plan. Except as may be provided under a "rabbi trust," no fund or other assets will ever be set aside or segregated for the benefit of the Participant or the Participant's Beneficiary under this Plan. The adoption of the Plan and any setting aside of amounts by an Employer with which to discharge its obligations hereunder shall not be deemed to create a trust; legal and equitable title to any funds so set aside shall remain in the Employer and any funds so set aside shall remain subject to the general creditors of the Employer.

#### 6.5 Claims and Review Procedures.

(a) Claims Procedure. If any person believes he or she is entitled to any rights or benefits under the Plan, such person may file a claim in writing with the Committee. If any such claim is wholly or partially denied, the Committee will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) information as to the steps to be taken if the person wishes to submit a request for review, the time limits applicable to such procedures, and a statement of the person's rights following an adverse benefit determination on review, including a statement of his or her right to file a lawsuit under ERISA if the claim is denied on appeal. Such notification will be given within 90 days after the claim is received by the Committee (or within 180 days, if special

circumstances require an extension of time for processing the claim, and if written notice of such extension and circumstances is given to such person within the initial 90-day period).

(b) Claim Review Procedure. Within 60 days after the date on which a person receives a notice of denial (or within 60 days after the date on which such denial is considered to have occurred), such person or his or her duly authorized representative ("Applicant") may (i) file a written request with the Committee for a review of his or her denied claim; (ii) review pertinent documents; and (iii) submit issues and comments in writing. The Committee shall render a decision no later than the date of its regularly scheduled meeting next following receipt of a request for review, except that a decision may be rendered no later than the second such meeting if the request is received within 30 days of the first meeting. The Applicant may request a formal hearing before the Committee which the Committee may grant in its discretion. Notwithstanding the foregoing, under special circumstances that require an extension of time for rendering a decision (including, but not limited to, the need to hold a hearing), the decision may be rendered not later than the date of the third regularly scheduled Committee meeting following the receipt of the request for review. If such an extension is required, the Applicant will be advised in writing before the extension begins. If the claim is denied in whole or part, such notice, which shall be in a manner calculated to be understood by the person receiving such notice, shall include (i) the specific reasons for the decision, (ii) the specific references to the pertinent Plan provisions on which the decision is based, (iii) that the Applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits, and (iv) a statement of the Applicant's right to file a lawsuit under ERISA. Benefits under this Plan will only be paid if the Committee decides, in its discretion, that an Applicant is entitled to them.

(c) Exhaustion of Administrative Remedies. The decision of the Committee on review of the claim denial shall be binding on all parties when the Participant has exhausted the claims procedure under this Section 6.5. Moreover, no action at law or in equity shall be brought to recover benefits under this Plan prior to the date the Applicant has exhausted the administrative remedies under this Section 6.5.

## ARTICLE VII

### MISCELLANEOUS

7.1 Amendment or Termination of the Plan. The Board of Directors of the Company may amend or terminate this Plan at any time. Any such amendment or termination shall not, however, without the written consent of the affected Participant, reduce the interest rate applicable to, or otherwise adversely affect the rights of a Participant for Compensation with respect to which a Participant made an irrevocable deferral election before the later of the date that such amendment is executed or effective.

7.2 Reliance Upon Information. The Committee shall not be liable for any decision or action taken in good faith in connection with the administration of this Plan. Without limiting

the generality of the foregoing, any such decision or action taken by the Committee in reliance upon any information supplied to it by an officer of the Company, the Company's legal counsel, or the Company's independent accountants in connection with the administration of this Plan shall be deemed to have been taken in good faith.

7.3 Effective Date. The Plan shall become effective as of January 1, 2008 for benefits accrued under the Plan on and after January 1, 2005.

7.4 Code Section 409A . It is intended that the provisions of this Plan satisfy the requirements of Code Section 409A and that the Plan be operated in a manner consistent with such requirements to the extent applicable. Therefore, the Committee may make adjustments to the Plan and may construe the provisions of the Plan in accordance with the requirements of Code Section 409A.

7.5 Governing Law. This Plan shall be construed, administered and governed in all respects in accordance with ERISA and other applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Texas. If any provisions of the Plan shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

7.6 Severability. If any term, provision, covenant, or condition of the Plan is held to be invalid, void, or otherwise unenforceable, the rest of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

7.7 Notice. Any notice or filing required or permitted to be given to the Committee under this Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to the principal office of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the dates shown on the postmark on the receipt for registration or certification.

*[Signature Page To Follow]*

**IN WITNESS WHEREOF**, CenterPoint Energy, Inc. has caused these presents to be executed by its duly authorized officer in a number of copies, all of which shall constitute one and the same instrument, which may be sufficiently evidenced by any executed copy hereof, this 21st day of February, 2008, but effective as of January 1, 2008.

**CENTERPOINT ENERGY, INC.**

By: /s/ David M. McClanahan

David M. McClanahan

President and Chief Executive Officer

**ATTEST:**

/s/ Richard Dauphin

Richard Dauphin

Assistant Corporate Secretary

**CENTERPOINT ENERGY, INC. DEFERRED COMPENSATION PLAN**

(As Amended and Restated Effective January 1, 2003)

First Amendment

**WHEREAS**, CenterPoint Energy, Inc. (the “Company”), maintains the CenterPoint Energy, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2003 (the “Plan”), for the benefit of its eligible employees and directors; and

**WHEREAS**, in response to the enactment of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), effective as of January 1, 2005, the Company in operation separated all Plan benefits earned and vested as of December 31, 2004 (“Grandfathered Benefits”) from all Plan benefits earned or vested after December 31, 2004 (“409A Benefits”); and

**WHEREAS**, at all times on and after January 1, 2005, the Grandfathered Benefits, along with all earnings attributable thereto, have been (and continue to be) subject to the terms and provisions of the Plan as in effect on October 3, 2004, and no material modifications, within the meaning of Code Section 409A and the Treasury regulations and guidance thereunder, have been made (in form or operation) to the Plan with respect to such benefits; and

**WHEREAS**, the Company desires to bifurcate the Plan such that (1) the Grandfathered Benefits, along with all earnings attributable thereto, shall be maintained under and paid from the Plan, which shall be frozen and intended to be a “grandfathered” plan exempt from Code Section 409A and (2) the 409A Benefits, along with all earnings attributable thereto, shall be spun-off from the Plan into, and maintained under and paid from, a newly established and separate plan that is intended to comply with the requirements of Code Section 409A, known as the CenterPoint Energy 2005 Deferred Compensation Plan, effective as of January 1, 2008; and

**WHEREAS**, in connection with the bifurcation of the Plan, the Company desires to change the name of the Plan to the CenterPoint Energy, Inc. 1989 Deferred Compensation Plan;

**NOW, THEREFORE**, the Company, having reserved the right under Section 7.1 of the Plan to amend the Plan, does hereby amend the Plan, effective as of January 1, 2008, as follows:

1. The Plan is hereby frozen. No new participants shall be permitted, and no deferred contribution shall be made and no benefits shall be earned or vested, under the Plan after December 31, 2007 (other than earnings on the contributions and benefits earned and vested prior to January 1, 2005). The Plan shall only provide contributions made and benefits earned and vested as of December 31, 2004, along with all earnings attributable thereto. Any contributions or benefits (and earnings thereon) not vested as of December 31, 2004, are hereby spun-off into the new CenterPoint Energy 2005 Deferred Compensation Plan as of January 1, 2008 (and shall be paid from such new plan).

2. The name of the Plan is hereby amended to be the "CenterPoint Energy, Inc. 1989 Deferred Compensation Plan," and all references in the Plan to the "CenterPoint Energy, Inc. Deferred Compensation Plan" are hereby amended accordingly, and the definition of "Plan" in Article I of the Plan is hereby amended to read as follows:

"'Plan' means the CenterPoint Energy, Inc. 1989 Deferred Compensation Plan, as amended and restated effective January 1, 2003, as set forth herein (formerly known as the CenterPoint Energy, Inc. Deferred Compensation Plan), as the same may hereafter be amended from time to time. As of January 1, 2008, the Plan is frozen and no new participants shall be permitted and no contributions shall be made and no benefits shall be earned or vested (other than earnings on the contributions and benefits that were earned and vested as of December 31, 2004) under the Plan after December 31, 2007. All unvested benefit accruals as of December 31, 2004 (along with earnings attributable thereto) were spun-off from the Plan, effective as of January 1, 2008, into, and shall be provided under, the CenterPoint Energy 2005 Deferred Compensation Plan."

**IN WITNESS WHEREOF**, CenterPoint Energy, Inc. has caused this document to be executed by its duly authorized officer in a number of copies, all of which shall constitute one and the same instrument, which may be sufficiently evidenced by any executed copy hereof, this 21st day of February 2008, but effective as of January 1, 2008.

**CENTERPOINT ENERGY, INC.**

By: /s/ David M. McClanahan  
David M. McClanahan  
President and Chief Executive Officer

**ATTEST:**

/s/ Richard Dauphin  
Richard Dauphin  
Assistant Corporate Secretary